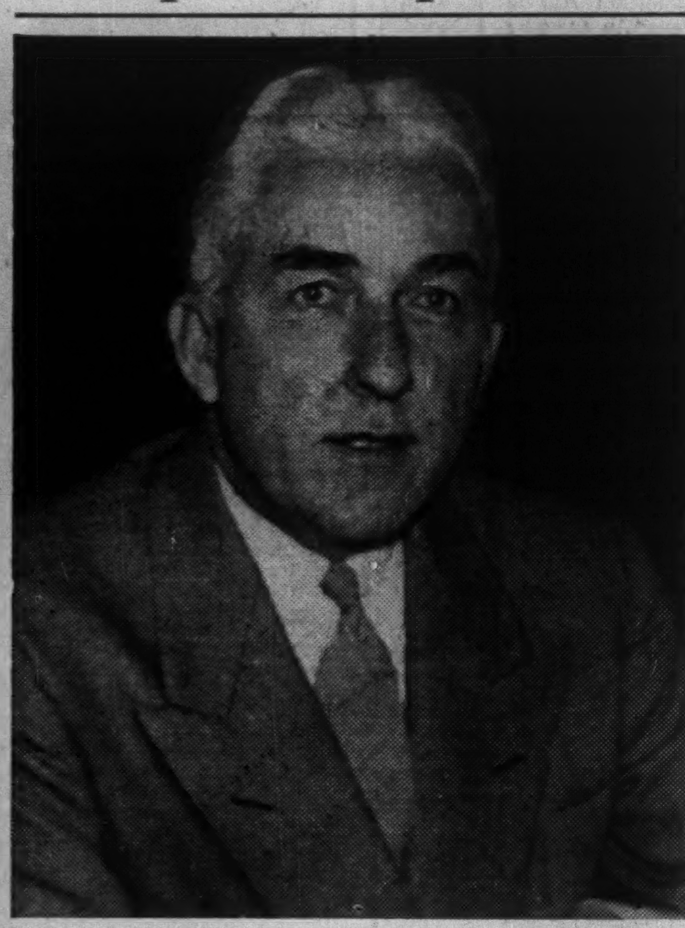
Pulp and Paper Chief



Harold Scanlon Foley, 48, as chairman of the executive board, Canadian Pulp & Paper Association which represents the country's 80 pulp and paper mills, becomes top spokesman for the nation's largest manufacturing industry. Born in Minneapolis, a graduate of Notre Dame University, Foley grew up in his father's Florida lumber business. President of Powell River Co., Vancouver, his appointment emphasizes the increasing importance of the West Coast groups.

The Financial Post

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THE NATION'S BUSINESS

Where Our Best Hope For Peace Lies

What legislatures at Washington and Ottawa do in the next few months is going to do much to shape our world for centuries to come.

Both will deal with the North Atlantic pact, and Congress will be asked to vote more Marshall plan money.

In the proposed North Atlantic pact lies our greatest and most realistic hope for maintaining peace, or at least staving off war.

Had the Kaiser known definitely that the U. S. would come against him, we would hardly have had war in 1914. Had Hitler counted the U. S. among his enemies, the 1939 war would not have been when or what it was.

It isn't just in the military sense that the North Atlantic pact is so crucial for the future of the western world. It is presently our best and most realistic hope for working out a modus vivendi on the economic front; of achieving some progress toward alleviating or curing the accursed dollar-sterling convertibility problem so perilous to Canada — and the standard of living of every Canadian.

When the North Atlantic pact comes before our Parliament, there will, as always on important and complex topics, be much ignorant, irresponsible nonsense talked. Some of it regrettably will be spoken for its presumed effect on votes in the forthcoming election.

There are vital details of the proposed pact which need meticulous study and sober discussion.

But the basic fact about the pact—if the nations have leaders wise and tactful enough to achieve it—is that it offers more hope for peace and continued prosperity than anything else we have any chance of getting.

Of parallel importance to our world is what the U. S. Congress does about voting more money for European aid.

ERP money is achieving results far beyond dollars and cents. Charles Luckman, president of Lever Brothers, says:

> "While I was in Europe I saw some of the miracles of physical betterment and healthier morale worked by American aid."

But though Marshall Aid may have little difficulty getting past this present Congress, what happens further ahead, 1952, for instance, the present target end of the ERP program?

Both in Britain, in western Europe and certainly in the United States, isolationists are now and will become increasingly vocal. To the millions, it is not yet clear that Russia has upset all past patterns of sovereignty and of safety. The enormity of our peril is apparent to too few.

The celebrated Barbara Ward of The Economist, writing in Atlantic Monthly, says:

> "This is an age of whirlwinds, of political cataclysms; an apocalyptic age in which towns disappear at the touch of a switch . . .; an age in which six million human beings have been asphyxiated in special camps because of their race and millions more live and die in forced labor for their political beliefs.
>
> "It is a terrifying, insane, and infinitely dangerous age in which survival cannot be purchased cheaply or national existence guaranteed by lazy or indifferent or old-fashioned methods.
>
> "The first test of an effective policy in such a world should be, 'Does it take the breath away?' The only recent Western policy which qualifies under this test—the giving away in free gifts in one year of some five billion dollars by one nation to other nations—is also the only one that has had any real effect on the world balance of power."

• • •

No Thank You, Mr. Coldwell

After our none-too-happy experiences with government-to-government deals in wheat and other products with Britain during and since the war, one might think that most Canadians have had enough of state trading. But not Mr. Coldwell. His remedy for our export problem, like the CCF remedy for practically everything, is more and more government control.

In Parliament this week Mr. Coldwell outlined his panacea. He would set up a national marketing agency for all farm products. He would have import and export boards in full charge of all our international trade. And finally he would negotiate barter deals, government swaps, with any country in Europe foolish enough to be tempted.

Every single move suggested by the CCF leader has been tried by some desperate country in the last 20 years and in every case it has failed.

National marketing agencies with their fixed prices, both ceiling and floor, have not moved producer goods, but they have cost taxpayers, which of course include the producers, staggering sums of money. There was our own experience with government wheat during the early 'thirties, there were the fiascos in Malay rubber, Brazil coffee and U. S. cotton.

And the world must surely still remember the Hitler-Schacht barter offers whereby prewar Germany did secure some badly needed raw materials from neighboring countries but contributed little or nothing in return.

Canadian barter deals with European countries as advocated by Mr. Coldwell might give us a few shiploads of French lace, German wines, Spanish oranges, Polish hams and Turkish tobacco, which we do not need, but not the oil, tin, cotton, bauxite, machine tools and other things we must have to keep our economy functioning.

No, thank you, Mr. Coldwell. Our hope lies in rebuilding world trade, not in killing it entirely.

New Railway Rates On Rate of Return?

Seen As Possible Outcome of Present Hearings By Transport Commissioners; Full Survey Of Property Values First Step

BY PAUL DEACON

MONTREAL (Staff) — A shift in the method of determining freight rates for Canadian railways is seen here as a possible outcome of rate hearings in progress before the Board of Transport Commissioners.

Rate increase award of 21% last year was made on the basis of C.P.R.'s financial requirements, but evidence introduced by C.P.R. concerning a tentative $310-million improvement program brought forth the contention by provincial lawyers that the railway company was now trying to build its case for a further increase on a rate-of-return basis.

To establish a base on which the rate of return could be estimated, some railway experts say it would first be necessary to make a complete survey of the value of railway property. This basic information has never been available in Canada. In its judgment granting the 21% increase last March, the board added that "the question is much too extensive and complicated a problem to be taken into consideration at this time."

However, at last week's hearings, Chief Commissioner M. B. Archibald said he did not find it surprising that there should be some attempt in the new case to set up an investment figure for rate of return, and that he had been thinking of ordering an investigation into the C.P.R.'s physical property.

Although C.P.R. and C.N.R. lawyers denied that they were trying to switch to a rate-of-return case, they suggested that the rate of return should be used as a test of the fairness of the freight rates.

At last year's freight hearings, no one appeared to have any exact figures on the investment in railway property. Canadian Pacific submitted exhibits which showed investment in railway property of $1.3 billions. Two railway witnesses altered this figure to $1.2 billions to $1.5 billions. Counsel for Manitoba put C.P.R.'s railway investment at $738 millions.

The $310-million C.P.R. program, as outlined by Vice-President N. R. Crump, would involve improvements to road property of $36 millions a year for the next five years. Of this $13 millions would be non-capital money chargeable to current maintenance and other accounts. Also planned was a $52 millions-a-

(Continued on page 3, col. 3)

Start Campaign to Reform U. S. Customs Procedure

NEW YORK — (Staff) The opening gun in a campaign of greatest importance to Canada, namely a reform in U. S. customs procedure, was fired here this week with publication of a special report by the U. S. Associates.

U. S. Associates is the American section of the International Chamber of Commerce, Inc. It has had a special committee studying U. S. customs laws and procedure with special reference to ways in which present U. S. law is out of harmony with proposed international trade arrangements such as ITO and the Geneva Agreement of Tariffs and Trade.

In its initial report, the committee makes specific recommendations for reform of existing U. S. procedure in respect of: countervailing duties, valuation for duty purposes, conversion of foreign currency for customs purposes, marks of origin, internal taxes, and penalty duties.

In the report, signed by Charles T. Riotte as chairman of the special committee on Customs Technique, recognition is made of the fact that the Canadian Parliament has already taken steps to bring its Customs Act into line with the general provisions of the Geneva agreement. The report then goes on to "recommend in specific detail, early action by the United States Congress to amend the Tariff Act of 1930 in such a manner as to conform to the commercial provisions of the General Agreement which in the judgment of this committee are sound."

The more important recommendations of the committee are as follows:

1. Countervailing Duties. These are duties imposed on dutiable goods imported into the United States from foreign exporters who have received subsidies or bounties on their exports to the U. S. A. The recommendation is that countervailing duties be imposed only if it is shown that a domestic industry is likely to be injured. An amendment to Section 303 of the U. S. Tariff Act is urged so as to provide an investigation and public hearing by the U. S. Tariff Commission rather than a simple finding by

(Continued on page 3, col. 3)

Pressure on Meat Prices But Big Break Not Yet

Budget worried housewives are asking if the long-awaited price break on meat is really here. The past week has seen the first important retail price decline since last fall—around 3c lb. on the lower priced cuts, 2c lb. on the higher priced ones, in the Toronto area at least.

A spot check with shippers and packing-house officials says: not yet. From here on, the market is likely to tighten and prices may edge slightly higher before spring. We are coming into the period of traditionally lower cattle supply from the farms. It is unlikely that even the somewhat reduced consumer demand which has been evident for some months past will counteract this.

The past week's cut in retail prices reflected a declining price trend at wholesale level since the first of the year. Red quality steers, f.o.b. Toronto, have declined about 2½c. lb. within the two weeks. Since last October's peak the drop has been over 16%.

Why don't retail prices reflect fully the downward trend in wholesale prices?

William Hussey, President of the Ontario Foods Division of the Retail Merchants Association of Canada, explained it this way to The Financial Post: When red steers were selling near their peak of 46c lb. wholesale last October, many retailers were selling certain cuts of meat at a loss. At that wholesale price, round boneless steak would cost on the average 68c a lb., sirloin steak 71c and porterhouse 73c. But these three cuts sold widely at 69c a lb.

The same cuts were still selling at 69c a lb. last week in many places despite the drop in wholesale prices to 37½-38c a lb. At this lower wholesale price, the three cuts cost the butcher on the average 57c, 59c and 61c a lb. respectively. This makes the butcher's markup 17.5% on the round steak, 14.5% on the sirloin and 11.6% on the porterhouse. It has long been an accepted fact among butchers, Mr. Hussey said, that normal markup must be at least 18% to operate at a profit.

PRICES

Wholesale prices showed the first signs of the long-awaited break during December.

In its first downward lapse since March, the DBS index of wholesale prices (1926=100) dropped off a fractional 0.2 points to 159.5. The December figure was still some 3% short of the record high of 164.3 in May, 1920, but was 11% in advance of December, 1947's 143.5 and about 42% ahead of December, 1946.

The drop was spearheaded by a decline of 1.9 points to 203.8 in the building materials category. Other comedowns: producers' goods, 0.3 to 162.6; raw and partly manufactured goods, 0.9 to 163.6. The increases: consumers' goods, 0.3 to 144.3; and fully and chiefly manufactured commodities, 0.1 to 144.0. Industrial materials continued unchanged at 162.3.

With U. S. wholesale prices on the slump since late summer, some authorities were betting that Canada had at last hit the peak. But there weren't many bets being placed that any large-scale declines were in the near offing. So long as capital expansion plans, ERP, government defense spending, U. S. crop price props, and other economic factors hold at today's high levels—there seems no likelihood of any landslides for a while yet.

General Motors' 1949 line got its premiere showing in Oshawa this week. And it had trade circles buzzing with more speculation than ever.

The price jump on GM products had taken most authorities by surprise (average between 7% and 8% as against Ford's approximate 17%).

Petroleum price front was busy doing some readjusting this week.

Down in the Maritimes, Imperial Oil and Irving Oil Co. announced increases of half a cent a gallon in gasoline prices. The jump, effective immediately, reflected recent gasoline advances along the U. S. Atlantic seaboard. (The Maritimes import a comparatively high percentage of gasoline in finished form from the U. S.).

Out in Turner Valley, Imperial Oil made a midweek announcement that Turner Valley crude had been lifted 15c a barrel. The jump put the new purchase price at $3.24 a barrel on 33 gravity, with a two-cent differential for

(Continued on page 3, col. 3)

Circus In U. S.—Sombre Here

Contrast in Capitals As National Leaders Take Over

By KENNETH R. WILSON

We do things differently in Canada.

Within the past few days I've seen the head of government in both Washington and Ottawa get officially into harness.

In Washington, it was Mr. Truman's first inauguration as President in his own right.

In Ottawa, it was the opening of Parliament and Mr. St. Laurent's first appearance there as Prime Minister.

The contrast, and this is understatement, was staggering.

At Ottawa, they pounded a few desks; scarcely bothered with silk hats; confined themselves to the single ornament of a few red carnations to distinguish Mr. St. Laurent and cabinet members from ordinary commoners.

At Washington, they tried to turn the town upside down; staged the greatest razzle-dazzle in United States history.

Someone says a million people saw the seven miles of procession which took over three hours to pass the reviewing stand outside the White House.

In Ottawa, the Governor-General was escorted quietly—almost surreptiously—from Rideau Hall to Parliament—a form that has scarcely changed since horse carriages were in style.

The States Send Floats

Folks came from every part of the United States and its possessions' to see the big inaugural. There were the largest turnouts from the states which went Democrat in the big November upset. I think some 40 out of the 48 states of the Union sent floats and delegations — plus Puerto Rico and the Virgin Islands. There were no less than 32 governors or lieutenant-governors in attendance. (The most notable omission was of course Governor Dewey of New York.) If New York had been on the winning side, the parade would probably have been half as long again. As it was, it sent two floats — one representing the state, with a little arrow on top marked "Albany" pointing to a "depression" somewhere down behind Manhattan skyscrapers. The other represented the Niagara Frontier which showed off its electric power and industrial might.

The youngsters ohh-ed and ahh-ed in a throaty cadence when the huge silvery U. S. Navy blimp came out of a clear blue sky, at what seemed a few dozen feet over our heads. They let out a gasp which quickened your pulse when the incredible B-36's —a dozen of them—roared down the avenue as an advance guard to the greatest display of airpower that most of the million watchers had ever seen in their lives. A B-36 is so large that its six-engined wings look small and dwarfed against a cigar-like body that seems to extend out and out, into the sky. After that there were dozens and scores of jets, flying box-cars and the like.

No sooner had these passed than you came back to earth with a thud as the put-put-put of thirty or forty motorcycle cops spearheaded the procession itself. It was enough to see all this majesty of the law in one place — but a dozen times more exciting since they had alternate red and white headlights turned up full and flashing in the sun.

Where "Ike" Got a Hand

Behind them, Harry Truman—the man who started it all — flanked by his wartime buddies of Battery D, 129th field artillery battalion. Down the Avenue (Pennsylvania Avenue) President Harry got a big hand. Not so where I was sitting in Lafayette Park directly opposite the White

(Continued on page 3, col. 1)

How Will Big Defense Plan Affect Our Steel Expansion?

Dofasco First To Take Ottawa's 50-50 Loan Offer—Rest Wary

By RONALD WILLIAMS

In spite of the coolness in the steel industry generally toward the Government's expansion program, at least one firm—Dominion Foundries and Steel Ltd. — is taking the 50-50 offer.

The Financial Post understands that tentative agreement has been reached between Ottawa and Dofasco, on a 500-ton blast furnace and auxiliary equipment including coke ovens. Under the proposal in the Speech from the Throne last week, Ottawa would bear half the cost.

Other units in the industry have not shown too much warmth for the Government's proposal. It is understood that Dofasco is the only one of the bigger firms which has submitted detailed expansion programs. There have been exploratory talks with the others, but nothing concrete.

They feel that the high cost of construction, plus the chance that the boom might be over by the time the new capacity is ready, makes expansion too much of a gamble at the present time.

"Investment Unpredictable"

H. G. Hilton, president of Steel Co. of Canada, said this week in a letter to shareholders: "Although the demand for steel in practically all forms continues to exceed capacity, the existing high level of construction costs discourages plans for further expansion at this time. Since two or three years would be required for completion of any major project, and costs are still rising, the ultimate investment would be unpredictable, and charges for interest on such investment as well as depreciation per ton of capacity, would be beyond any previous commercial and competitive limits."

If Parliament acts fairly rapidly and favorably (there's every reason to believe it will) on Dofasco's expansion plan, it is believed the new furnace might be operating by 1950 or '51. This would put the company in the primary iron and steel picture as a pig-iron producer for the first time. At present, it makes only steel.

Dofasco has to buy pig iron from other Canadian producers while scrap iron is now being brought from the far corners of

(Continued on page 2, col. 5)

Army Mechanization May Call For 5 Years' Heavy Spending

By KENNETH R. WILSON

OTTAWA (Staff) — It is believed here that when the Defense estimates are uncovered, they may disclose that this country is about to embark on military mechanization program that may well run into one billion dollars over the next five years.

Up to now, Canada has avoided a heavy mechanization program along modern lines. The march of international events may dictate a change in policy. The new concept is reported to be a small mobile mechanized force able to take its part in any program of continental defense.

This would mean that the day of the old-type foot-slogging military machine is definitely over; even the present idea of a trained nucleus of officers and men, ready at all times to create and train an army, air force or navy.

The equipment for such a force would be the most expensive that any Canadian Government had ever ordered. Over the next few years, it could well double the present annual defense outlay of about $250 million.

However, this increased outlay may not occur this year. It is doubtful if there is sufficient manpower, materials, etc. to use up an additional $250 million in the next fiscal year, even if the new mechanized policy calls for such an amount to be spent.

But the over-all commitment to create this new, mobile, striking foce may eventually involve as much as $1 billion. And because it will be mainly for mechanized equipment, the implications for basic industry such as steel are important.

Expect Backing for Steel Bill

It is expected that when the Government brings down its proposed legislation to financially assist steel expansion on a 50-50 basis, that the bill will be backed up both on defense and commercial grounds.

At the moment, the actual amount of steel required for defense is somewhat uncertain. This and the huge increase in cost of construction (about 4-6 times the value of existing facilities) and the possibility of the boom tapering off, is causing the industry generally to cast a wary eye at expansion proposals. Already there are definite signs in the U. S. that demand for steel is easing.

No final plan or program of assistance has yet been formulated. But the expectation here is that the government loans will be interest free, unless they can be met out of profits. The chances of making money on new capacity at present capital costs is looked on as slim.

At the moment, the expected development is that a number of firms may take advantage of the proposal to improve and integrate existing plant rather than embark on a huge program of new capacity. However, the Government's plan to mechanize our military machine, may have an important bearing on this attitude.

Inside News

Why U. S. Bars Canadians

The United States is on the alert against Communist infiltration. For that reason, under the wide terms of its immigration laws, it has slammed its doors shut against Canadians whom it suspects of leftist tendencies. How far-reaching is the ban? (p. 15).

How to Handle Hoodlums?

What's the cause of, and the remedy for, juvenile hoodlumism, such as that rampant in Toronto today? Are better training, more recreation facilities, or severe penalties for violence, the answer to the problem? Informed Canadians discuss the question (p. 12).

Merchandising Vital

There is more to bringing in cash customers than good merchandise, smart premises and an able, courteous staff. Your merchandising methods—advertising, display, promotion—must do the key job of selling yourself, your store and your products. Article XIX in The Financial Post's series "How to Make Your Business Grow" (p. 16).

Too Many Failures?

Canada suffered more business failures in the last quarter of 1948, than in any similar period since the close of war. Is this a danger signal on the economic horizon? Experts appraise the situation, and offer advice to business, as to countering the trend (p. 11).

February Dividends Up

Dividends payable by Canadian companies in February (as declared to Jan. 28) total $13,971,275, an increase of $1,175,400 over the same month of 1948. The increase is due to higher industrial payments, including one totaling $1,095,714. Dividends paid and declared for the first two months of 1949 are up 9.6%, at $72,477,765, over the corresponding 1948 period (p. 17).

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Armed Forces To Go Up 20%

OTTAWA (Staff) — A 20% gain in the size of Canada's armed forces in 1949 was forecast last week by Prime Minister St. Laurent in his speech on the address from the Throne.

Outlining employment and economic prospects for 1949, Mr. St. Laurent forecast that Canada's armed services would rise from 35,000 in 1948 to 42,000 in 1949.

He also put Canada's estimated gross national production at $16,550 million, an increase of 7% from the estimated 1948 total of $15,500 million.

Amount distributed to wage and salary earners for 1949 was estimated at $7,810 millions, a rise of almost 10% from the corresponding figure of $7,135 million.

New Pulp Mill On Vancouver Island Planned

From Our Own Correspondent

VANCOUVER — Fourth pulp mill built in British Columbia since the war will probably be started soon, following granting of a forest management license to Canadian Western Timber Co. for a block of timber on the east coast of Vancouver Island and some nearby islands in Johnston Strait.

Officials of the firm, which is connected with Canadian Western Lumber Co., operators of Fraser Mills, largest sawmill in the British Empire, have not set a date yet for new construction.

H. J. Mackin, president, will visit the east within the next few days and plans for the mill are expected after that. It is understood it will be designed to make low-grade kraft, newsprint and fine-grade papers, as well as cellulose pulp for clothing.

This will be a continuation of the vast recent pulp mill expansion in B. C.

Since the war, Bloedel, Stewart and Welch Ltd. has erected a mill at Port Alberni, Columbia Cellulose, a subsidiary of the Celanese Corp. of America has started another at Port Edwards, near Prince Rupert, and H. R. MacMillan Export Co. is now erecting mill near Nanaimo, also on the east coast of Vancouver Island.

Sustained Yield Plan

The forest management license is the second granted under the 1947 legislation, and the first to go to a B. C. firm (first license went to Columbia Cellulose).

In receiving the license, Canadian Western is provided with a permanent wood supply for a large mill, to be erected near Duncan Bay, just north of Campbell River. The company will put into the license 130,000 acres of its own Crown Granted holdings, of which 54,000 logged-over acres have already been contributed. To this will be added an unspecified acreage held by the Government to make up enough to support the pulp mill when harvesting of standing timber becomes necessary, making about 250,000 acres in all.

Pace of Business

Canadian farmers received estimated record cash income of $1,762,814,000 from sales of farm products in first nine months of 1948 (more than 37% ahead of the $1,282,112,000 in the same period of 1947).

Motor vehicle manufacturers turned out a peacetime shipments record in 1948. December shipments of 27,305 vehicles brought year's total to 264,178 units (258,015 in 1947). Wartime record: 1941's 270,191 units.

Canada's egg layers weren't up to form during 1948. Egg output, as reported by DBS, slumped to 383,076,000 doz. (407,376,000 doz. in 1947). Estimated December production was 23,914,000 doz. (down 17% from December 1947).

Peacetime record for domestic exports was established in 1948. DBS reports aggregate value for 12 months at $3,075,800,000 (up 10.8% over 1947). Sales to U. S. hit $1,500,987,000 (about 45% ahead of 1947).

More cheques were cashed in Canada during 1948 than ever before. Culminating an 11-year advance, cheques cashed against individual accounts rose to $80,687,448,000 (8.3% above 1947).

Department store sales continued their fast pace during the week ended Jan. 22, knocking up a total 13% in advance of same week last year. The score by provinces: Maritimes, up 38%; Alberta, 35%; Saskatchewan, 21%; Manitoba and Quebec, 9%; Ontario 8%.

Wheat flour production slipped off about 20% in 1948 from 1947's record. The year's output totaled 22,386,000 bbls. (28,057,000 in 1947), while amount of wheat ground stood at 101,456,000 bus. (126,184,000).

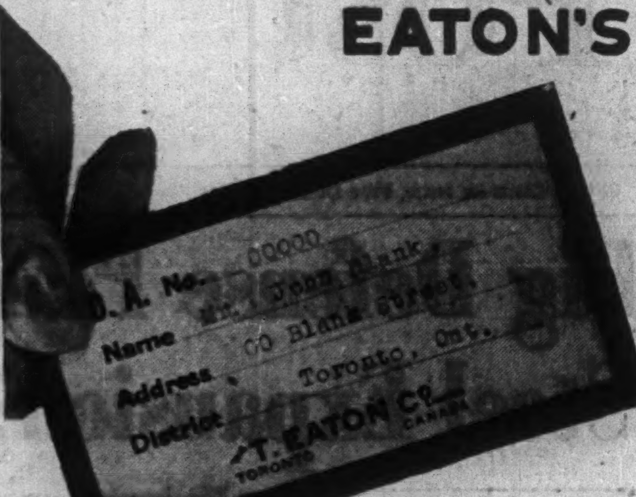
Canada's sea fisheries gained considerably in 1948 both in catch and landed value of products. Catch: 1,276.3 million lb. (up 11% or 134 million lb. from 1947). Landed value: $59.9 millions (up 32% over 1947's $45.3 millions).

Carloadings on Canadian railways for the week ended Jan. 22 dropped to 71,767 cars (74,956 in previous week and 71,769 in corresponding week last year), DBS reports.

Sales balance in Canada's international security transactions was registered in November for the first time since July. Net sales: $1.6 millions (sales: $21.8 millions and purchases: $20.2 millions). Transactions with all countries for first 11 months resulted in net purchases of $17.2 millions ($13.9 millions in net purchases in same period of 1947).

Creamery butter stocks in nine Canadian cities on Jan. 21 totaled 18,741,000 lb. (19,831,000 on Jan. 14 and 22,005,000 on Jan. 21 last year), according to DBS.

Canadian wheat stocks in store or in transit in North America at midnight on January 20 totaled 165,268,000 bus. (down 1,419,000 bus. from previous week but 34,991,000 in advance of corresponding total of 130,276,000 a year ago).



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EATON'S

Get St. Lawrence Power If Seaway Plan Abandoned

OTTAWA (Staff) — Development of the St. Lawrence as a power project will mean something over 3 million additional horsepower for the provinces of Ontario and Quebec, according to figures given the House of Commons by Prime Minister St. Laurent last week.

Mr. St. Laurent also made it clear that failure to develop the project as a combined power and seaway development would force the Government to consider development of power alone.

He said:

"I think it is only fair for us to say that if we cannot at this time get implementation of this agreement for the double-barrelled purpose of navigation and power, the value of the power is so great that we shall have to give very serious consideration to going ahead and developing it on the power side alone—which would be amply justified, I think, by the economic benefits which could be derived from the power alone."

Mr. St. Laurent's compilation of ultimate Canadian power benefits from the seaway were as follows:

1. From the international section, 1.1 million hp for both Canada and the United States individually.

2. From the new program proposed recently in the Henry commission report on the Lachine section: 1.2 million horsepower for Canada, to be developed just below the Victoria Bridge in Montreal "at a capital cost a little higher than the costs of the capital installations in the other section of the St. Lawrence."

But Mr. St. Laurent added: "In view of the fact that it will not be necessary to step up or step down this power and it will not be necessary to have transmission lines to make it available to consumers, and there will be no losses in transmission, the cost of that power to the consumer will not be any higher than the cost of the power from the international section to the consumer in Ontario."

3. An increase in the present potential at Beauharnois from 1,250,000 to 2,000,000 hp "by using over that head in the Soulanges section, some of the water that is now being used less efficiently in existing plants."

Mr. St. Laurent explained that the Beauharnois power development in the Soulanges section is already developed to 750,000 hp with an additional 500,000 hp in process of development. More efficient use of the water would raise this potential to two million hp.

It is considered obvious and certain that the St. Lawrence development will be high on the agenda when Prime Minister St. Laurent visits President Truman in Washington on Feb. 12.

CROINOR PERSHING MINES Dec. 30 installment of 120,000 shares at $1 a share and each subsequent installment have been extended for three months.

FLEURY-BISSELL LTD. shareholders approved an increase in directors from five to seven at the annual meeting last week. John S. Deacon, Toronto, was added to the board and all the former directors were re-elected, leaving one vacancy on the board.

WANTED: ↙

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"Let's Go" on Stale Building Codes, Hold Wage Line, Recruit Labor Abroad, Among Other Hopes of Canadian Construction Association

By CLIVE CHATTOE

Never more strongly than at its annual meeting in Toronto last week has the Canadian Construction Association advocated adoption, as a social measure, of a national, long-term, low-rent housing assistance plan.

Never more succinctly has it defined the bounds of its "modest program" . . . in keeping with the needs and abilities of the Canadian people and the availability of labor and material."

The CCA's new definition—and it may be prophetic of much to be heard in the Commons in weeks ahead:

"A 10-year building program of 120,000 publicly assisted dwelling units might be kept within a deficit of $1.7 million the first year, $17 millions in the tenth. The assistance is a small fraction of the $314 millions a year now paid in federal subsidies of various kinds."

Offers 7-point Plan

The CCA, recalling that its member contractors have built most of the low-cost housing carried out under government auspices during and since the war, now declares its readiness to continue with 12,000 assisted rental houses a year until 1958 "as soon as agreement is reached among governments on the solution of land and financial problems."

Its 7-point plan:

1. Early conference and agreement by Dominion, provincial and municipal governments on respective responsibilities, particularly financial;

2. Financing and construction by the Dominion with costs to be shared: (a) for sewer and waterlines, etc., up to $600 per unit, amortized over 50 years, to be charged back against the municipalities; and (b) balance of the rental deficit to be borne 70% by the Dominion, 30% by the provinces;

3. Such costs to be paid out of a rent reduction fund or funds;

4. Establishment of provincial and local housing authorities through provincial legislation;

5. After veterans' needs are met the establishment of a suitable means test for eligibility;

6. Unit costs ranging from $4,500 to $6,000 as reasonable and practical.

7. Abandonment of the concept of erecting new housing in downtown slum areas—child health requires the outdoor benefits obtainable in suburban and fringe areas.

For Buyers Too

With record-breaking totals of 79,000 new housing units completed in 1947 and more than 83,000 in 1948, "Canada's construction industry is building about all the housing the supply of labor and materials will permit." But, argues the Association, little of it is for low-income families.

Besides expansion of the subsidy rental building program, the CCA also proposes a drive for better, cheaper houses for sale. Its two points on this score:

1. Maintain building for home ownership by private enterprise as the backbone of Canada's housebuilding industry, through wider adoption of liberal lending facilities—low interest rates, high lending values, long amortization periods and second mortgages, especially for low-cost homes;

2. Reduce construction costs for low-cost and low-rent housing through: (a) greater individual productivity; (b) improved management efficiency; (c) tight, basic, more uniform architectural designs cutting space, material and labor to a minimum; (d) on-site assembly line construction; (e) municipal building codes based on the National Building Code; and (f) research on building materials and techniques.

The CCA—senior organization in a Canadian industry which last year carried out work worth an estimated $1.5 billions in building and maintaining houses, hospitals, highways and the rest, and representing most of Canada's major construction contracting, manufacturing and supply firms—also called, among other things for (a) nationwide housecleaning in ancient and ill-assorted local building codes; (b) a major drive to recruit bricklayers and plasterers from abroad; (c) sober reconsideration by labor of any plan a fourth-round wage drive and its responsibility for low productivity.

Here are highlight proposals (predictions were outlined in The Financial Post, Jan. 29):

1949 Wage Policy — As a means of halting inflation in construction and industry generally, future wage agreements should be on a basis reflecting change (beyond an agreed number of points) in the cost of living index as compared to its position a year before the new signing. But the CCA's labor relations committee wasn't optimistic; said: "It won't be easy to convince labor that wage rates should be kept at 1948-agreed levels. The fact that the cost of living index has risen from 153.3 at May 1 to 158.9 at Dec. 1 will be an argument used in many cases."

Labor Relations — Fullest cooperation among management, labor and government to cut costs by (a) boosting productivity in material plants and on construction jobs; (b) pushing apprentice enrolment and immigration, with better facilities for training and vocational guidance; and (c) participating in a National Joint Conference Board representing construction labor and management.

Firm Prices should be quoted by all in construction "wherever possible, in particular on projects that can be completed in 12 months."

Immigration — Step up the flow of skilled bricklayers, plasterers and allied trades from Britain and Western Europe. But also train them in Canadian methods, language and citizenship for orderly rise to tradesman status with full union approval. Shortage is still depressing the average level of efficiency; is a major factor in the rise of construction costs. Apprenticeship isn't meeting the need.

Building Codes — Greater standardization and modernization of building bylaws by provinces and municipalities, using the National Building Code as a guide, to reduce costs generally but particularly in housing.

Dom.-Prov. Relations — Earliest accord on fiscal policy and taxation, roads and resources development, low-rent housing, labor, health and social welfare to overcome doubt and uncertainty over respective responsibilities "so that both business and government can formulate and execute long-range plans in the public interest."

Public Projects — Call competitive tenders on construction involving public funds, publicly advertise and publicly open such tenders except on work in "secret" category. Postpone public works (apart from essential utilities, highways, resources development) to encourage private enterprise to develop domestic industry and expand exports. Advance detail planning by all governments of a $500-million "shelf" of deferable public projects to help forestall serious unemployment in the event of a recessionary trend.

Highways — Set up a Dominion-Provincial Highways Commission to co-ordinate financing, long-term planning and construction of the Trans-Canada, interprovincial and international roads to develop natural resources and tourist trade and meet strategic requirements.

Sales Tax — Exempt remaining building and engineering materials from the 8% federal sales tax and any similar provincial or municipal impost to "remove unevenness of their incidence" and cut costs.

Workmen's Compensation — End everywhere the requirement that contractors pay double assessments on employees working outside their home provinces; the few provincial governments which haven't done so to make reciprocal interprovincial arrangements to this end, amending compensation acts and/or regulations if necessary.

Community Planning — "Appropriate governmental authorities" to provide adequate planning controls, personnel and facilities, especially at the local level. Continued support of work of the Community Planning Association of Canada. These are called essential to sound standards of housing and community development.

Import Regulations — Regulate imports of construction materials and equipment so as not to interfere with efficient execution of projects essential to the national welfare.

Corporate Income Tax — Coordinate Dominion and provincial legislation to end the situation in which companies doing business in more than one province can be required to pay taxes on more than 100% of their income. Dominion to "allow as necessary expense" a deduction in respect of corporate income tax payable to provincial or municipal authority, where such taxes are payable regardless of profit earnings.

Obituaries

Wesley Roy Barnard, 79, Ottawa, former president and managing director, W. R. Barnard Paper Co.

Frederick William Cowan, 82, Toronto, director, Canadian Bank of Commerce.

Alvin Douglas Griffin, 77, Montreal, former president International Singer Sewing Machine Co.

Byron W. Howard, 44, Ottawa, barrister.

George E. M. Lewis, 86, Truro, N.S., founder Eastern Hat & Cap Manufacturing Co., and Lewis Ltd.

Frederick W. Moffat, 83, Weston, Ont., vice-president Moffats Ltd.

James Copten Mitchell, 69, Dahinda, Sask., rancher, four times winner world wheat crown.

William Ernest Rundle, 81, Toronto, former president, National Trust Co.

Omer De Serres, 67, Montreal, former president, Canadian Institute of Plumbing and Heating Engineers.

William Smith, 55, Toronto, secretary and buyer, Wilkins Smallware Co.

Everett Mansfield Whitley, 63, Toronto, director, and former general manager for Canada, Norwich Union Fire Insurance Society.

M. C. LOWE

has been elected vice-president in charge of operations of Canadian Allis-Chalmers Ltd.

Pulp-Paper 1949 Picture In a Nutshell

MONTREAL (Staff)—After a record-breaking year in 1948, pulp and paper men were busy taking stock and making forecasts for 1949 at the Canadian Pulp and Paper Association's three-day annual meeting here last week. Outlook for the industry, offered in discussion groups and technical papers was something like this:

Pulpwood — Current crop is 16% below last year's record; total physical inventory is 15% greater, and is farther along the trail to the mill. Ample supply of woods labor; total number employed 15% to 20% below last year.

Groundwood — Demand strong in 1948, output slightly greater than in 1947; exports down but shipments to United States increased. Rebuilt mill came into production in 1948; new mill to start on west coast early in 1949.

Wrapping Papers — Demand in 1948, likely to continue in 1949, although world disturbances and growing buyers' market may adversely affect wrapping paper market.

Paperboard — Record output of 785,000 tons in 1948, an increase of more than 8%. Exchange difficulties curtailing exports.

Specialty Papers — Tissue grades output constant, but some other grades substantially higher in 1948. Supply and demand in closer balance; may become more pronounced in 1949.

Fine Papers — Shortage overcome during 1948, many grades in heavier weights now available. Domestic demand higher than prewar; exports off.

Dofasco Takes Steel Offer

(Continued from page 1)

the world at fancy prices. With its own blast furnace, Dofasco's raw material cost picture would improve considerably. However, it isn't expected that there will be a very great increase in steel output. The proposed program means that Dofasco would have its own source of raw materials.

Situation Seen Easing

Meanwhile talk persisted that the tight steel situation was easing. The Canadian Manufacturers' Association Special Committee on Steel reported this week:

As far as U. S. mills are concerned, there are positive signs that the pressure is easing up, with the prospect that by the third quarter of 1949, a buyer's market would develop in some steel products.

Significant factors:

1. The bottom has dropped out of the gray market steel sheets.

2. Steel production in the United States in 1949 is expected to surpass the 1948 record.

3. While there has been no apparent move on the part of the U. S., or Canada to enlarge the nominal Canadian import quota of approximately 200,000-220,000 product tons a quarter, the only actual control exercised is a rather loose one on structural steel. If steel becomes easier by the third quarter, there would be little or no reason for the United States to insist that Canada live within the quota.

4. There had been a steady increase in the supply of steel coming to Canada from the United Kingdom and Belgium, with the expectation that substantially larger shipments would be made from those countries in 1949.

The Committee stated that the recent break in cast iron scrap prices in the United States was not an indication that supplies were becoming more plentiful; on the contrary, the price change was merely a rationalization, bringing cast iron scrap prices more into line with pig iron prices. U. S. scrap officials still maintained that the scrap situation was serious and that the shortage would last for many years.

The Committee added that this "somewhat optimistic picture" could change almost overnight, if strikes occurred in the coal mines or steel mills.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Association of Professional Engineers of Nova Scotia — Ira P. MacNab (Halifax) president; L. D. Hopkins (Bridgewater) vice-president.

Aluminum Co. of Canada—F. W. A. Baulch, plant superintendent, Etobicoke (Ont.) foundry.

American Can Co. (Hamilton)—B. C. Blasdale, assistant manager of sales; A. C. Osborne, assistant to manager of sales; K. E. Specht, sales division manager, with supervision of containers for beverages, miscellaneous foods and non-foods; J. W. Edwards, sales manager, eastern Ontario district (Toronto); J. J. Orders, sales manager, central district (Hamilton).

British Columbia Forest Products Ltd. — Hon. Stanley S. McKeen (Vancouver), John A. McDougald (Toronto), directors.

British American Oil Co.—R. H. C. Harrison, Western Canada manager, crude oil purchasing (Calgary).

Day, Duke & Tarleton, Inc. (New York)—Peregrine Acland, manager, Toronto branch.

Canada Life Assurance Co. — W. J. Hastie (Toronto), James V. Young (Hamilton), directors.

Canadian Allis-Chalmers Ltd.—A. B. Russell, assistant works manager, Lachine, Que.

Canadian Pacific Steamships Ltd.—Albert Evans, catering superintendent.

Comara Mining & Milling Co. — G. Allan MacPherson (Vancouver), managing director.

Canadian Pacific Air Lines—R. W. Ryan, executive assistant to president; W. G. Townley, general manager of operations.

Canadian National Railways—H. M. Blaiklock, assistant real estate manager, central region (Toronto).

Canadian Pacific Railway Co.—E. A. Brown, supervisor of internal combustion equipment, Pacific region (Vancouver); B. B. Woodland, supervisor of internal combustion equipment, prairie region (Winnipeg).

Canadian Pulp & Paper Association—Harold S. Foley (Vancouver) chairman; L. J. Belnap, S. L. de Carteret (both Montreal) vice-chairman.

Canadian Red Cross Society—Dr. Wm. Stuart Stanbury, national commissioner (Toronto).

Dairy Farmers of Canada — Gilbert MacMillan (Huntingdon, Que.), president; J. I. Ballantyne (Atwood, Ont.), F. J. Goodman (Winnipeg), vice-presidents.

Design Craft Ltd. — Michael Percival, art director.

Dominion Bridge Co. — Olivier Drouin (Quebec), a director.

Dominion Rubber Co. (Montreal)—Geo. D. Tilley, assistant sales manager, mechanical goods.

Dominion Textile Co.—Wm. D. Fleming, manager, Toronto sales office; Harry E. Hockley, assistant manager.

Dominion Government — A. W. Evans, commercial secretary, trade commissioner service, Havana; E. H. Maguire, commercial secretary, Santiago; H. W. Richardson, trade commissioner, Bogota.

Edmonton Town Planning Commission — W. T. Aiken, vice-chairman.

Evening Telegram (Tpronto) — Fraser Robertson, financial and business editor; Frank D. Taylor, city circulation manager; C. Webster Knowles, outside circulation manager; S. J. A. Mason, promotion manager.

Engineering Institute of Canada—Irving I. Tait, chairman; Prof. H. Gaudefroy, vice-chairman; R. B. Wotherspoon, secretary-treasurer.

Edmonton Bulletin—S. Leonard Tilley, managing editor.

Fairbanks Soap Co.—W. N. Keefe, vice-president in charge of manufacturing; W. J. DeRocher, treasurer.

Fueloil & Equipment Ltd. (Hamilton) — Len P. Black, city and district representative.

Friden Calculating Machine Co.—L. B. Taylor, domestic sales manager.

B. F. Goodrich Rubber Co. of Canada — V. O. Griffin, manager, belting and hose sales, industrial products division.

Household Finance Corp. of Canada — L. P. Beaudry, manager, Chicoutimi branch; V. F. Raymond, manager, Rouyn; H. Giguere, acting manager, Val d'Or; P. B. Leonard, manager, Ontario St. branch, Montreal.

Huron & Erie Mortgage Corp. (and Canada Trust Co.) — J. R. Reid, superintendent of mortgages, Toronto, Hamilton and Niagara district; W. H. Clark, manager, Toronto office; W. G. Sanham, manager, Montreal office; H. A. Heine, assistant manager, Toronto office; J. W. Ruggles, member Victoria advisory board; G. E. G. Whitaker, manager, Victoria; E. T. Linnell, assistant manager, Victoria; Arthur T. Meighen, trust officer, Vancouver.

Imperial Oil Ltd.—Geo. L. Macpherson, general manager of refineries; Dwight S. Simmons, acting manager, engineering and development division.

John Inglis Co. (Toronto)—N. A. Fallow, assistant sales manager, household utilities department.

Lumbermen's Mutual Casualty Co.—W. J. Stephens, claims manager for Canada.

Lucerne Food Products Ltd. (Hull)—W. J. Martin, sales manager.

Life Insurance Managers' Association of Toronto—W. W. Nixon, president; J. M. Tory, J. J. Mc Laughlin, vice-presidents; J. H. Doyle, secretary-treasurer.

Maple Leaf Broadcasting Co. (Hamilton) — Edward S. Stock, assistant manager; Victor Copps, Willard King, account executives, sales division.

Merrill, Stanley & Lowrey Ltd. (Montreal) — Hugh A. Cowans, Jas. W. Duncan, directors.

Montreal Corn Exchange—Russel H. Read, president.

Montreal Recorder's Court — Roland Paquette, recorder-in-chief.

Majestic Sales Corp.—Norman M. Romer, vice-president and general manager.

New York Life Insurance Co.—Fred A. Wade, superintendent of agencies, Canadian division (Toronto.)

Northern Assurance Group—John Reid, assistant manager for Canada.

Northern Transportation Co. (Edmonton) — F. W. Broderick, vice-president and general manager; Bruce Hunter, assistant general manager; Geo. McLennan, agent, Waterways.

Nova Scotia Industrial Assistance Advisory Board — Chas. Dunn, a member.

Ontario Federation of Anglers and Hunters—H. V. Sutton (Ridgetown) president; W. Shields (Schumacher) vice-president; R. J. Hannam (Hamilton) secretary-treasurer.

Ontario Milk Board — Judge A. B. Currie (Manitoulin Island), chairman; Kenneth Betzner (Kitchener), Morris Hart (Oshawa), members; C. R. Meek, executive secretary and director.

Pigott Tractor & Equipment Ltd. (Winnipeg) — Walter Youngman, sales engineer.

Royal Trust Co.—R. W. Phipps, manager, Victoria office.

Saskatchewan Hunter, Saddle and Light Horse Society—Marvin York (Moose Jaw), president; W. E. Caton (Maple Creek), Prof. A. H. Ewen (Saskatoon), vice-presidents; P. A. Taylor (Regina), secretary; Miss E. L. Ross (Regina), treasurer.

Stewart-Warner-Alemite Corp. of Canada (Belleville) — Lloyd B. Espie, special representative, alemite division.

Supertest Petroleum Corp.—Tom Barrett, wholesale sales manager, Hamilton.

Toronto Industrial Commission—Frank E. Waterman, president; John A. Tory, honorary vice-president; W. H. Bosley, a vice-president.

Trans-Canada Air Lines — Denis F. Barclay, regional director of public relations.

Transportation Club of Toronto—C. R. Patterson, president; G. E. Smith, J. Donaldson, vice-presidents; W. G. Hamilton, secretary; W. E. Hendershott, treasurer.

Vancouver Stock Exchange—P. A. Wootten, president; J. H. Lamprey, vice-president; D. F. MacKenzie, honorary treasurer.

Winnipeg Chamber of Commerce—Allan H. Watson, president; R. H. G. Bonnycastle, A. E. Longstaffe, J. W. Sanger, vice-presidents; Dr. W. McCurdy, honorary treasurer.

Walsh, Cook & Bartlett (Montreal)—Sir Albert Walsh, Eric Cook, Rupert W. Bartlett, partners.

Waterous Ltd. (Brantford)—D. M. Waterous, vice-president and general manager; B. M. Kenny, general sales manager; N. L. Elliott, assistant general sales manager.

Western Canada Association of Exhibitions — F. G. Salisbury (Saskatoon), president; J. F. Lunney (Regina), vice-president; Mrs. Letta Walsh (Saskatoon), secretary-treasurer.

Canadian Pacific Steamships Ltd. announces the retirement of Fred. C. Hesler, catering superintendent.

Dominion Government announces the retirement of Hugh D. Paterson, director-general Toronto district income tax division.

Royal Trust Co. announces the retirement of F. E. Winslow, manager, Victoria office. (Mr. Winslow becomes a member of the company's advisory board in Victoria).

Dominion Textile Co. announces the retirement of Herbert E. McDougall, manager, Toronto sales office.

CANADIAN INSTITUTE OF MINING & METALLURGY, Toronto branch, advises that Dr. Theo. A. Link will address the Institute, Feb. 9, on subject "Oil in Alberta." The annual general meeting of the Institute is to be held in Montreal on Apr. 25 to 27, inclusive and the fourth Empire Mining & Metallurgical Congress on July 9 to 23, inclusive.

HUGHIE GOLD MINES has surrendered its charter and the 34,000 escrowed shares are to be cancelled.

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Sombre Ottawa Contrast To Washington Circus

(Continued from page 1)

House. Perhaps it was because I was surrounded by pressmen and diplomats. (In my area it was the unexpected appearance of General Eisenhower that got the biggest hand.)

All labelled in big cars

And it was automotive day with a vengeance.

There probably aren't as many high-priced convertibles in all of Canada as there were on parade at the inaugural. Sleek, shiny, all colors of the rainbow and all individually labelled with a big three-foot square placard to tell you who was inside.

Best laugh of the day as we banged our feet to keep warm was a car labelled "Lt. Governor Shivers." (His full name: Lt. Governor Allan Shivers of Texas). Another funny one was a car labelled "Supreme Court of the United States." It came rolling along—empty.

Time and again these individual governors were so busy waving at their hometown supporters that they overlooked the reviewing stand entirely. One or two didn't even notice President Truman. Others tried to cover up, by raising their top hats high in the air and twisting their necks to the breaking point when they realized their mistake.

The shoe was on the other foot when the bolting Dixiecrat, Governor Strom Thurmond of South Carolina, came in sight. As he doffed his hat to the president, Mr. Truman happened to be drinking a cup of coffee and looking the other way.

Or was he being politely snubbed?

It was that kind of a day — with everything from the solemn service of dedication at the Capitol to the tuneful "I'm Just Wild about Harry" played on a calliope that reputedly could make itself heard for seven miles in every direction, including "up."

Do we want it here?

Perhaps we Canadians live in too cold a climate for such high-jinks—especially in winter. But more pageantry in our governmental and public life wouldn't hurt any of us; would help a lot, if the experience of the famed Royal Tour of 1939 is any guide.

Auto Buyers' Market Not Too Far Away Now

This week, as General Motors held a press preview of its first really new cars since the war, there were definite signs that competition is almost back in the automobile business and a buyer's market isn't too far away.

Last week for example, some Ford dealers were quoting "immediate delivery" in newspaper advertisements. Nearly all in Eastern Canada at least, were promising delivery in six weeks or two months. You could get a Monarch or Mercury almost right away.

G. M. and Chrysler were not promising anything much under six months.

The restyled lines shown by G. M. at its special preview in Oshawa (also new Chrysler models due shortly) was another straw in the wind. In completing industry's adoption of the New Look in cars, GM and Chrysler, were looking to the future as Ford had earlier, and the independents had earlier still.

When cars have to be sold, it's been the experience of the industry that an automobile that doesn't look right, won't sell as well as one that does. Stylewise, the automotive industry has a lot in common with the women's fashion business.

The GM Oshawa show was a far cry from the fancy $1 million affair GM staged in New York's Waldorf-Astoria to present its new models. But it was still a pleasant and glittering spectacle.

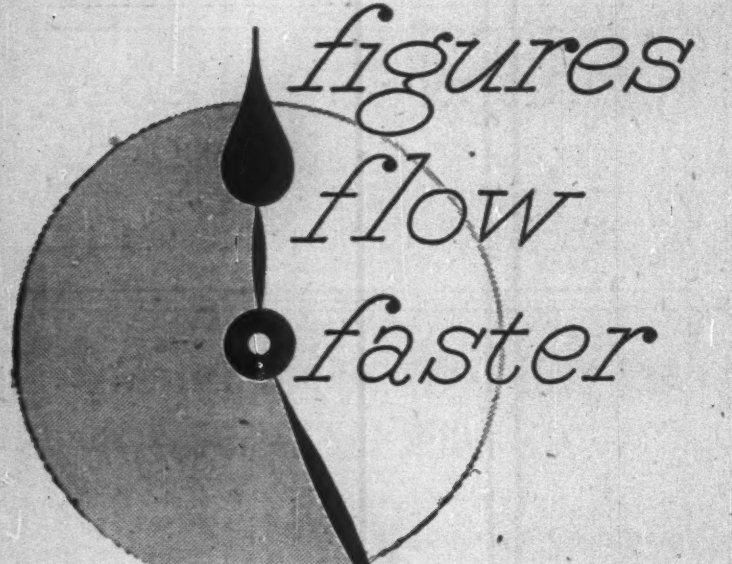
On display were the three passenger cars GM will make in Canada this year: Chevrolet, the new longer-wheelbase Pontiac and the American-type Oldsmobile Futuramic. In addition, there was a full range of trucks and the English Vauxhall.

Stylewise, all models have been changed radically but not to the same extent as Ford and Nash or Hudson. Lower and bigger, the Chev has larger windows, curving windshield, new front axle springing. For better riding, the rear seat has been moved forward. Seats are wider.

Pricewise, the new cars were something of a surprise, in view of the sizeable increases in other makes. The new Chevs will cost approximately 7.5% more. The Styleline special two-door which cost $1,649 delivered in Oshawa last year will now be $1,802.

Pontiac: about 8% higher. The Fleetleader deluxe 2-door will be $1,985 against $1,856 last year.

Oldsmobile: Futuramic standard six, 2-door club sedan, $2,248 against $2,055 last year.



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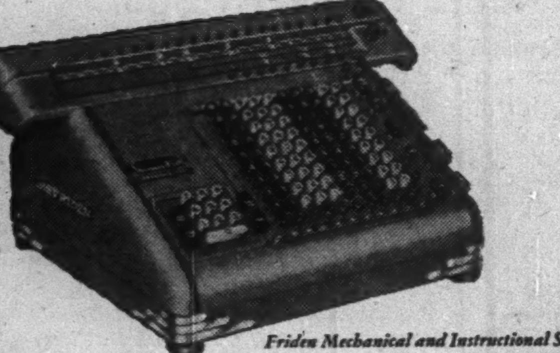

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Distributor for Ottawa: OFFICE APPLIANCES LTD., 319 Queen St., Ottawa.

Distributor for British Columbia: C. R. GOODWIN LTD., Province Bldg., Vancouver.

PRICES

(Continued from page 1)

each additional degree of gravity. The move, which doesn't apply to other western oil fields, was cited as a product of competition of a purely local nature. Shorn of its Royalite feeder, Imperial Oil was merely being forced to jump prices to meet other refinery competition.

Despite these two widely separated jumps, the next trend still appears to be downward. As western fields move from deficiency areas to surplus producers, downward revisions seem inevitable.

Meats began to take on almost-forgotten price flavor this week.

With meat on the hoof still trending downward, many retailers were beginning to cut prices; in Toronto about 3c a lb. on lower priced cuts and 2c a lb. on the higher.

Plan To Reform U. S. Customs

(Continued from page 1)

the U. S. treasury that a foreign subsidy exists.

2. Valuation for Customs Purposes. The report recommends that the "export value" of goods imported into United States be brought into conformity with "actual value" as adopted in the Geneva Agreement. The suggestion is made that U. S. value or a fair commercial value be used, with deletion of existing sections defining "American selling price," "cost of production," "foreign value," etc.

3. Conversion of Foreign Currency for Customs Purposes. The report recommends section 522 of the U. S. Tariff Act be amended to permit the finding of a single commercially realistic rate, with a provision that a separate rate might be found for a class or commodity subject to dual or multiple rates not generally applicable to the export trade of the foreign country.

(The report cites the present obsolete method of quarterly findings by the Director of the U. S. Mint of rates of exchange based on the metal content of foreign coins as a system which dates back to an act of 1793.)

4. Marks of Origin. Amendments are urged to certain paragraphs in the tariff which now require certain metal and thermostatic articles to be marked prior to importation.

5. Penalty Duties. The report urges amendment of section 489 of the U. S. tariff so as to eliminate additional undervaluation penalty duties or at least grant the Treasury considerable administrative discretion in their application.

New Plan For Rail Rates?

(Continued from page 1)

year capital program for motive power and rolling stock.

Following is the C.P.R. table of estimated expenditures required to improve standards of railway service.

(000's omitted)

Description:	1950-54	Bal. after 1954	Total
Roadway:			
Rail, fastenings ..	$42,500	$54,000	96,500
Grade, line revis.	12,631	6,500	19,131
Ballasting	11,500	23,344	34,844
Track ext.	2,208	3,627	5,835
Grade separ.	1,575	2,325	3,900
Signal instals. ...	13,801	17,940	31,741
Bridges	2,335	2,745	5,080
Tunnels	...	500	500
Road mach.	770	370	1,140
Yards and Terminals:			
Add. yards	20,475	16,850	37,325
Com. fac.	1,050	1,050	2,100
Rail-water fac. ..	10,095	13,050	23,145
Buildings:			
Office bldg.	6,875	3,000	9,875
Freight sheds ...	2,990	5,950	8,940
Shops	8,452	7,139	15,591
Miscellaneous ...	5,935	700	6,685
Shop mach.	4,000	4,000	8,000
Total exp. (except equip.)	147,242	163,090	310,332

Since operations of Canadian Pacific were used as a base in arriving at the 21% increases, this company is occupying the centre of the stage at these new hearings.

Look For It Here

Feb. 5, 1949

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Bar-Lan Gold	27	Lingman Lake	8
Big Dan	26	MacLeod-Cock.	26
Boycon Pershing	27	New Jason	8
Bulldog Y'knife	26	New Telluride	26
Callinan Flin F.	21	Norpick	26, 27
Camray	27	North Inca	14
Cardinal Pete.	27	Orofino	26
Cons. Astoria	14	Osisko Lake	7
Central Pat.	7	Shore Oils	27
Cons. M. & S.	27	Silver Basin	2
Cons. Duquesne	8	Stadacona	27
Croinor Persh.	2	Steep Rock	16
Dome	27	Superior Oils	27
East Sullivan	10	Teck-Hughes	26
Eldona	16, 27	Upper Canada	27
Gan Copper	26	Westlock Pete.	4
General Pete.	26, 27	Wingait	27
Goldhawk Porc.	11	Yale Lead	26

INDUSTRIALS

Argus Corp.	17	France Film	4
B. C. Electric	20	General Trust	5
Brandram-Hend.	14	G. W. Crothers	25
Brazilian Trac.	10	Grey & Bruce T.	4
Br. Mtge. & Tr.	20	Harding Carpets	23
Beaver Brush Co.	10	Hart Battery	9
Biltmore Hats	11	Huron & Erie M.	23
C.I.L.	14	Imperial Life	8
Can. Investm't Fd.		Industrial Mtge.	16
Can. Inv'st. Fd.	4, 5	Kelton Corp.	5
Can. Converters	4	MacMillan Exp.	5
Canada Cement	4	Mason Mills	4
Canada Trust	4	Montr'l L.H.&P.	5
C.P.R.	4,5	Monarch Life	22
Claude Neon	5	National Life	4
Cockshutt Plow	5	Ontario Loan & Debenture	23
Canada Cement	14	Robinson Cotton Mills	14
Canada Life	25	S. H. Ewing	14
Catelli Food	17	Shaw'igan.W&P	11
Can. Tire Corp.	5	Thrift Stores	23
Continental Life	8	Toronto Mtge.	17
Coast Breweries	17	W. H. Schwartz	14
Craig Bit	19	Waterloo Trust	23
Crown Life	8		
De Havilland	9		
Fleury-Bissell	3		

Huge Menu For Parliament To Absorb Before Election

OTTAWA (Staff)—How the 23-point legislative bill of fare offered Parliament can be digested in time to get MP's out to the hustings in time for an election is raising eyebrows around here. But, of course, it's election year—that is practically certain.

For the record, here's the Speech from the Throne program for the fifth (and probably last) session of Canada's 20th Parliament.

1. North Atlantic Treaty. This is listed as the first and major item, stemming from the "first concern of government in world affairs to ensure peace and security."

Elaborating on the proposed treaty (which is to come before the House later) Prime Minister St. Laurent quoted his own initial justification of the idea in October, 1946, when he told the General Assembly of the United Nations that nations which sought peace and co-operation, may, if forced "seek greater safety in an association of democratic and peace-loving states willing to accept more specific international obligations in return for greater national security."

The new proposed treaty, said Mr. St. Laurent, is being formed primarily "for the purpose of doing that for which the charter of the United Nations was signed in San Francisco in 1945." He added, in justification:

"It seems to me that any free man in any of our countries should have no greater hesitation in having his country become a party to that North Atlantic security pact, than he had in having his country become a signatory to the San Francisco charter."

2. Newfoundland Union. Terms to be approved by both the Canadian and British Parliaments before March 31. Says Mr. St. Laurent: "I regard the completion of that undertaking as something of consequence to the people of Canada and possibly of consequence to the people of the world."

3. Privy Council Appeals. Amendment to be sought to make the Supreme Court of Canada the court of last resort. There have been 55 appeals from the Supreme Court of Canada in the last 11 years. One was withdrawn. In 22 cases leave to appeal was refused; 27 appeals were dismissed by the Privy Council. Only five appeals were upheld. Premier St. Laurent says that in none of the five cases in which appeals were allowed, was there any constitutional issue between the Dominion and the provinces.

4. St. Lawrence Waterways. The Government is to ask for approval "subject to the approval of the U. S. authorities" of the 1941 agreement. (See separate article elsewhere in this issue).

5. U. K. Farm Agreements. Extension of time limit for authority under which Government can make and carry out its bacon, egg and cheese contracts with the U. K. Government.

6. Geneva Trade Agreement and ITO Charter. The Government will ask Parliament to approve legislation covering both these commitments.

7. Canada Standards. Legislation will be submitted to strengthen the soft spots in present Trade and Industry legislation, to permit extension of present regulations and trademark control. A dozen applications for permission to use the "Canada Standard" trademark are pending, once present "mechanical" difficulties are cleared up by proposed new legislative amendments.

8. Foreign Exchange Control. The present FECB authority expires about March 27, 1949. The Government is going to ask to have the present act extended to March, 1951.

9. Price Controls, etc. The Government will seek extension of steel control for another year, also control over rental of housing accommodation. There will be legislation to continue "a limited number of price controls."

On the latter point the Government is probably being cagey, pending receipt of the Curtis Prices Report.

10. Steel Loans. Legislative provision is to be sought for "governmental assistance by loan to the producers of basic steel for the purpose of increasing production." No firm plan yet worked out, but available monies expected to be provided on 50-50 basis.

11. Department of Reconstruction and Development. This is the new official name for the potpourri of responsibilities now vested in Hon. R. H. Winters. Legislation to transfer Central Mortgage and other departments now under Rt. Hon. C. D. Howe, will be introduced.

12. Trans-Canada Highway. A measure for assistance in the provision of a transcontinental highway is promised. (This legislation, and the plan for extending family allowances, were prominent in the Progressive Conservative platform last autumn.)

13. Family Allowances. An amendment providing for uniform level of family allowances regardless of size of family. Estimated additional cost is $6.5 millions. At present the rates taper down after the fourth child. As well, there will be an amendment to reduce the time for eligibility of immigrant families to the allowance. The present limit is three years.

14. Armed Forces. Certain amendments to existing legislation are promised. No details given.

15. Forest Conservation—What is planned here is the introduction of a new basic Federal act such as Canada now has in mining. It would provide framework of permissive legislation under which joint Federal-Provincial undertakings could be carried out.

16. Overseas Telecommunications.

17. Federal Pipeline Control. To anticipate future developments in Alberta, legislation is planned to give Ottawa control over pipelines which cross provincial or international boundaries.

18. Shipbuilding Assistance. Further aid by way of accelerated depreciation is certain. Still under discussion by the Government are proposals to provide low-interest loans to aid shipbuilders.

19. Industrial Development Bank—Proposed amendments are for the purpose of increasing the present limitation on certain types of loans which the bank is now authorized to make.

20. Emergency Gold Mining Assistance Act. Amendment to extend aid to "borderline" mines. Estimated cost of proposed additional aid is $5 millions. Total cost in 1948 of existing legislation is put at $10 millions; estimated cost for 1949 is $14 millions.

21. Prairie Farm Assistance Act.

22. Royal Commission to examine "the activities of the federal Government relating to radio, films, television, the encouragement of the arts and sciences, research, the preservation of our national records, a national library, museums, exhibitions, relations in these fields with international organizations and the activities generally which are designed to enrich our national life and to increase our own consciousness of our national heritage and knowledge of Canada abroad."

23. Lower Taxes (?). A vague reference to "the buoyant level of national revenues" described as "a condition to which due consideration is being given by my ministers in the preparation of forthcoming budgetary proposals."

NATIONAL TRUST APPOINTMENTS

R. BRUCE BUCKERFIELD — F. RONALD GRAHAM — COL. VICTOR SPENCER

The Hon. Leighton McCarthy, P.C., K.C., Chairman of the Board of National Trust Company, Limited, announces the appointment to its British Columbia Advisory Board of R. Bruce Buckerfield, formerly London, England, Manager of The Canadian Bank of Commerce; F. Ronald Graham, Chairman of the Board of Canadian Collieries (Dunsmuir) Ltd., and of Acadia Atlantic Sugar Refineries Limited; and Col. Victor Spencer, formerly a director of David Spencer Ltd., President of Pioneer Gold Mines of B. C. Ltd., and Diamond S. Ranch Ltd.

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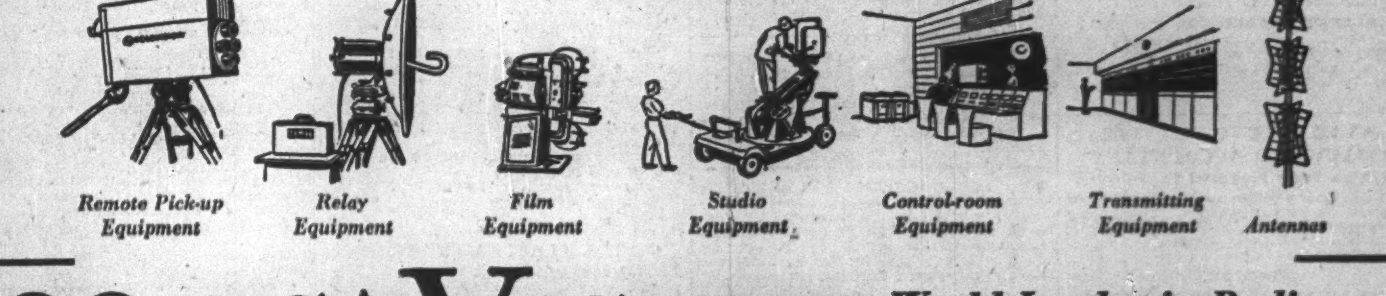

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INVESTMENTS THIS WEEK

T. F. Moore Suggests a Way To Encourage Risk Capital

"If Canadian venture capital, as opposed to American capital, is a crying need, and I think it is—then provide incentives, make new businesses completely exempt from income taxes for the first three years of their existence—and this is not such a radical thought when we realize what has been done to aid the new gold mines. But go one step further and provide that the original investors will not be taxed on dividends received from the new venture in the first five years of its business life."

This new suggestion for encouraging the flow of risk capital was voiced by Trevor F. Moore of the investment firm of McLeod, Young, Weir & Co. at a meeting of the Downtown Toronto Kiwanis Club this week. Mr. Moore was speaking as a representative of the Investment Dealers' Association of Canada.

This idea is Mr. Moore's reply to Deputy Governor of the Bank of Canada Donald Gordon's statement that Canada "needs machinery through which risk capital can be raised within its own borders for the development of almost every phase of its economic activities."

Raising risk capital implies two things, namely: (1) savings and (2) sufficient incentive to invest savings in a new business.

All economic progress depends on savings. An expanding economy and expanding businesses need capital—i.e. savings which industrious individuals put to work. But savings will only flow into new ventures or into the small but growing businesses in the expectation of an ample reward if successful.

Mr. Moore sees the nub of the problem is that "in this generation there are not enough of us who can afford to speculate in a new venture, plus the all important fact that the incentive is not all that it used to be . . . to the one disadvantage of an investment in a small business or a new business being non-liquid, should be added another—if the business fails, you lose everything—if it makes money, the governments take 37% of it each year, and when a portion of what is left is paid you in the form of a dividend it is taxable in your hands."

It would seem unlikely that the government would lose too much in the way of taxes through Mr. Moore's suggestion. A new business takes a year or so to get going and develop its earning power and likely longer to get into a sound enough position to pay much in the way of dividends.

The proposal raises many problems which Mr. Moore will recognize, although he did not mention. For example, if a tax exemption is granted to a new company for a three-year period, what should be the position of an established company which opens a new branch or store. Thus before such a plan were adopted it would require careful study.

That it is difficult to raise capital for small businesses, say from $3,000 to $100,000 is well recognized. The original sponsor of the "idea" will himself—and with the aid of his friends—continue to supply most of this original capital.

But taxation is definitely affecting the funds available for investment. When a new firm can only retain 63 cents out of each dollar earned, and then the investor has to pay a heavy personal income tax on payments to him with no allowance for taking the risk; it obviously dampens enthusiasm for providing original risk capital. These are the reasons for saying greater incentives are needed.

Mr. Moore's suggestion is well worth consideration and debate as one approach to a solution to the problem of the need of risk capital in Canada.

• • •

Still Negotiating On Quality Steels

Negotiations for the resumption of operations of Quality Steels (Canada) Ltd., London, Ont. are still proceeding and have reached a stage of verbal agreement, The Financial Post is told. A written agreement is being drawn up and expected to be signed this week while production is now expected to start by the middle of February. (The Financial Post, Jan. 8).

• • •

Survey Shows U. S. Firms Capital Spending Still High

There is no sign that a drastic decline in capital investment at any time soon will be the thing that deflates the general business boom in the United States according to a special survey made by the McGraw-Hill Department of Economics and reported in Business Week.

Business does plan to spend for expansion of capacity but increasing emphasis on modernization, cost-cutting, and greater efficiency will take up any slack that becomes available, according to this survey.

Programmed spending for 1949 totals $14,130 millions against last year's record breaking $14,850 millions. Further, plans for future years indicate expenditures of $11,970 millions in 1950, $10,460 millions in 1951, $9,630 millions in 1952, and $8,995 millions in 1953. These later figures may be low due to the obvious tendency of plans to taper as they are moved farther into the future.

For 1949, capital expenditures are broken down into $7,200 million ($8,160 million) for manufacturing, $1,520 million ($1,345 million) for railroads, $2,050 million ($1,800 million) for electric utilities, $820 million ($880 million) for gas utilities, $1,780 million ($1,900 million) other transportation and communications, $760 million ($765 million) for mining. While American industries' plans are subject to modification in the light of political and economical developments, these plans indicate a willingness to spend which would help keep business in a high level in future years.

• • •

Expect Early Consideration Changing Commission Rates

Members of the New York Curb market are meeting this week to consider certain readjustments in their commission schedules. Proposed increases are said to range from $1 to $15 per hundred shares.

It is expected Canadian exchanges will be meeting in the near future to consider their position, particularly the Toronto and Montreal exchanges who have stocks interlisted with the New York Stock Exchange and the New York Curb market. Any proposal to change commission rates here would not necessarily mean across-the-board increases. It is felt that certain commission inequities exist at the moment in the light of present market conditions and brokerage house operating costs. To level these out it might mean lowering some rates, raising others.

• • •

Annual Reports

Where companies are engaged in a large program of expansion, plant modernization, etc., executives should give shareholders full particulars on the cost and the work involved and also the ultimate benefit which will accrue from the expenditure. This will put them in a better position to assess the effect on the value of their interest in the company. Progress up to completion should be reported in succeeding annual reports to enable shareholders to follow the program through.

• • •

Harding Carpets Ltd. annual report for the year ending Oct. 31, 1948 has been brightened through the inclusion of more pictures of plants and operations and remarks cover most phases of operations including inventory policy. A chart shows typical raw material price fluctuations as an indication of the need for adequate inventory reserves. The sales dollar goes 48.62% for materials and supplies, 24.81% to employees, 9.55% for other expenses, 7.35% for taxes, 3.72% for inventory reserves, 2.74% for dividends and 3.21% retained for development.

W. G. TOWNLEY

has been appointed general manager of operations for Canadian Pacific Air Lines.

Bonds Offered Control Sold Of Mason Mills

A change in the stock ownership of Wesley Mason Mills Ltd., formerly Laurentian Silk Mills Ltd., and its agreement to purchase the Herbert Hosiery Mills of Canada Ltd., is revealed by the prospectus covering the public offering of a new issue of $750,000 Wesley Mason Mills Ltd., 5½% cumulative redeemable sinking fund preferred shares, par $100. These shares are being offered at $100 a share by a syndicate headed by McLeod, Young, Weir & Co. and including W. C. Pitfield & Co., R. A. Daly Co., and Bankers Bond Corp.

N. M. Davis Corp., Toronto, has agreed to purchase all the outstanding common shares and in order to take advantage of the good-will associated by the textile trade and public with the name of A. Wesley Mason, president and general manager of the company, in connection with the manufacture of quality pure and artificial silk fabrics, the name was changed to its present one by supplementary letters patent dated Jan. 18, 1949.

The company has also entered into an agreement to purchase from N. M. Davis Corp. all the outstanding shares of the capital stock of Herbert Hosiery Mills of Canada, Ltd. for $771,350. Herbert Hosiery Mills was incorporated in 1931 and produces popular priced lines of anklets for women and children, golf hose for boys, children's ⅝ and ⅞ hose and men's half hose and ankle socks.

Proceeds from the sale of the 7,500 preferred shares will be used by the company together with general funds to acquire the outstanding shares of Herbert Hosiery Mills. All the undertaking property and assets of Herbert Hosiery Mills of Canada Ltd. will then be merged into the operations of Wesley Mason Mills Ltd.

Capitalization upon completion of present financing will consist of $700,000 authorized, $677,000 outstanding 4½% first mortgage collateral trust sinking fund bonds due Feb. 1, 1967; $1 million authorized, $750,000 outstanding 5½% preferred shares, par $100 and 100,000 authorized, 50,000 outstanding, no par value, common shares. The company has made application for listing the preferred shares on the Toronto Stock Exchange.

Directors of the new company are Mr. Mason, N. E. Drysdale, secretary-treasurer; U. L. Marion and Mrs. Gertrude Mason of Montreal and Donat Houle of Cap de la Madeleine, P.Q. In addition it is proposed to add the following directors: Nelson M. Davis; G. E. Hall; M. D. Davis; A. J. Martin; T. F. Moore; N. S. Robertson, K.C., and H. G. Stapells, K.C., all of Toronto.

Nelson M. Davis, by reason of beneficial ownership of shares of N. M. Davis Corp., is in a position to or is entitled to elect or cause to be elected a majority of the directors.

See Brown Co. Earnings Up 39%

MONTREAL (Staff)—Consolidated net earnings of Brown Co. for the year ended Nov. 30, 1948, were approximately $3,936,000, an increase of about 39% over the previous year's $2,837,632, The Financial Post understands. After preferred dividend requirements of $6 per share, 1948 earnings would be equivalent to $1.53 per share (99 cents). Working capital at the same date is reported at $17,745,000 ($16,113,512 at Nov. 30, 1947). It is believed directors of the company will continue their previous policy of paying dividends at the rate of $1.50 a quarter as long as earnings continue satisfactory.

Plans for recapitalization of the company to eliminate arrears of dividends ($54 per share at Dec. 1, 1948) on the preferred have met with no success so far. Whether the improved working capital position is sufficient to permit a cash payment on account of arrears, is a subject of conjecture in financial circles here.

CPR to Appeal Sask. Judgment Upholding Taxes

MONTREAL (Staff) — Canadian Pacific Railway will appeal to the Supreme Court of Canada from a decision this week by the Saskatchewan Court of Appeals that urban and rural municipalities can levy property and business taxes on CPR's branch lines and business taxes on the main lines, company officials state.

Roadways, lands, buildings and business of the CPR along 415 miles of main line and 1,603 miles of charter branch lines in Saskatchewan are taxable, according to the court's ruling. It is estimated this would mean $500,000 in unpaid taxes for 1948 for 150 municipalities in the province.

Provincial statutes were amended by the Saskatchewan legislature in 1947 to permit municipalities to levy such taxes, and this legislation was one of the points argued. The judgment is stated to be the first in Canada to modify section 16 of the CPR's 1881 contract, which specified that for linking British Columbia with Eastern Canada, CPR's property "shall be ever free" from Dominion, provincial and municipal taxation.

France Film Bonds Sold

A new issue $900,000 4½% first closed mortgage sinking fund bonds of Compagnie France Film has been sold at $100 and accrued interest by René-T. Leclerc Inc. The issue is dated Jan. 2, 1949, and matures Jan. 2, 1964.

Incorporated in 1932 in Quebec, Compagnie France Film's activities extend to three branches of the presentation of French films in Canada:

(1.) It owns and operates six theatres: St. Denis Theatre, Montreal, 2,400 seats; Cinéma de Paris in Quebec City, 1,158 seats, in Sherbrooke, 639 seats, in Three Rivers, 729 seats, in Hull, 604 seats, and the Pigalle Theatre in Quebec City, 702 seats. It also operates under lease three theatres in Montreal; Cinéma de Paris, 464 seats, National Theatre, 759 seats, and Arcade Theatre, 796 seats.

(2.) It distributes 35 mm films to more than 150 theatres in Canada.

(3.) It distributes 16 mm films to more than 250 halls, mostly in Quebec province.

Proceeds of the present issue will be used to pay the balance of the purchase price of the St. Denis Theatre and for general corporate purposes.

Capitalization, including the present financing, consists of $900,000 authorized and issued 4½% first mortgage bonds; $270,000 authorized, $220,000 issued, 6% non-cumulative preferred shares, par $10, and $30,000 authorized and issued common shares, par $10.

Net profit, before taxes, averaged $234,843 a year for the 12 fiscal years ending Sept. 24, 1948, or 5.8 times the $40,500 interest requirements for the first year for the present issue. During this period the company was paying $30,000 a year as rental for the St. Denis Theatre which it now owns.

The pro forma balance sheet at Sept. 24, 1948, shows current assets of $1,241,410, current liabilities of $183,677 and fixed assets, after deducting reserve for depreciation, at $1,763,839.

Directors are Ralph A. Benoit, president; Hon. P. H. Bouffard, K.C.; Roger Brossard, K.C.; Pierre Charton; Lionel J. Crevier; J. Michel de Roussy de Sales; J. A. DeSève; Gérard Gingras and Lionel Leroux, N.P.

COMPANY REPORTS

CANADA TRUST CO. 1948 net profit was $125,720 ($105,105 in 1947). Total assets rose over $4 millions to $111,930,000. The sharp growth in assets under administration for estates, trusts and agencies was main factor in increase. Funds deposited by the public in guaranteed deposit certificates amount to $7,450,000—an increase of $1,680,000. The reserve fund has been increased by $50,000 out of the year's earnings, thereby making paid-up capital and reserve fund $1,750,000. Directors have declared a dividend of 4% for the half-year ending June 30, 1949, payable July 1, 1949.

	1948	1947
Liab. to public, etc.*	$13,999,484	$13,533,747
Sharehldrs' equity	1,775,496	1,759,781
*Secured by:		
Mtge. & sls. agree	6,179,393	7,148,967
Liquid assets†	9,595,587	8,144,561
Total	15,774,980	15,293,528
†Includes bonds and stocks.		
Estates account	96,156,538	92,594,713
Earned per share‡	$12.57	$10.51
Paid	7.00	6.00

‡Based on amount paid up on subscribed capital.

BROCKVILLE TRUST & SAVINGS CO. 1948 net profit was $46,374 as compared with $40,494 in 1947. Liabilities to public increased to $1,956,347 ($1,808,555) and were secured mainly by mortgages and sales agreements of $2,305,859 ($2,138,368) and liquid assets, including bonds and stocks, of $460,541 ($462,389). At year end, estates account stood at $2,577,686 ($2,218,360).

	1948	1947
Liabs. to public, etc.*	$1,956,347	$1,808,555
Reserves for mtges.	40,108	40,107
Sh'holders' equity	772,192	754,628
*Secured by:		
Mtges. & sls. agree.	2,305,859	2,138,368
Furn., fix., etc.	2,247	2,533
Liquid assets†	460,541	462,389
Total	2,768,647	2,603,290
†Includes bonds and stocks.		
Estates account	2,577,686	2,218,360
Earned per share	$4.64	$4.05
Paid	2.87½	2.87½

CANADIAN CONVERTERS CO. has called for redemption the outstanding balance of $300,000 series A 3¾%-4% first mortgage bonds with maturities from March 1, 1952-57. Call price is 101 and accrued interest. The bonds are part of an issue of $600,000 first-mortgage serial bonds sold in 1945, of which $300,000 were redeemed late in 1947. On redemption of these bonds, funded debt will consist of $400,000 4% first mortgage bonds, series B, due 1956-65 inclusive, sold privately late in 1948.

JEWISH GENERAL HOSPITAL OF MONTREAL new issue of $673,000 noncallable serial bonds are being offered by Credit Interprovincial Ltd. The issue is dated Oct. 1, 1948, and the bonds are due April 1, 1949 to 1955 and 3¼% bonds due April 1, 1956 to 1963. Proceeds are for construction and equipment of a new wing of the Jewish General Hospital and the addition of a nurses' residence, total cost of which is estimated at over $3 millions. Bonds will be secured by the assignment of a subsidy of $844,995, payable in 15 annual installments of $56,333, granted by the Province of Quebec.

WESTLOCK PETROLEUMS advises that Verona Rock Products has optioned 904,000 shares at 12.72 to 25 cents a share. Authorized capital is 3.5 million shares; issued, 2,262,671; escrowed, 1,166,666; filed, Jan. 19.

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WHOLESALE DISTRIBUTOR of building materials with headquarters in Vancouver will be in Montreal and Toronto week of February 14. If you need Sales Representation in the West write now to: W. D. GRAY, Windsor Hotel, Montreal. Royal York Hotel, Toronto.

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WANTED. Client desires to purchase any large organization or business, preferably in the city of Winnipeg. Client has $250,000.00 in cash. Write advising particulars to Four Provinces Investment Co., 300 Main Street, Winnipeg. Transaction to be handled on usual Agency basis.

COMPANY REPORTS

GREY & BRUCE TRUST & SAVINGS CO. 1948 net profit was $70,962 as compared with $67,423 in 1947. Deposits and guaranteed investments total $11,948,971, an increase of $1,943,862. Dominion, provincial, municipal bonds and security holdings total $6,559,331, an increase of $302,640. Mortgage investments total $5,183,080, an increase of $1,469,637.

Estates and trusts in company care total $3,480,054, an increase of $396,066.

	1948	1947
Liabs. to public, etc.*	$11,993,731	$10,046,544
Shareholders' equity	832,656	799,824
*Secured by:		
Mtges., sls. agree.	5,254,378	3,766,798
Office premises▴	188,631	▴27,490
Realty for sale	13,509	18,686
Liquid assets♦	7,369,869	7,033,394
Total	12,826,387	10,846,368
♦Includes bonds and stocks.		
▴After depreciation of $48,992 in 1948, and $41,490 in 1947.		
Estates account	3,480,055	3,083,988
Earned per share	$6.51	$6.19
Paid	3.50	3.50

CANADIAN INVESTMENT FUND 1948 net profit was up 33.3%. Balance of realized profits on sales of investments at the end of the year was $1,004,758. Quoted market value of investments exceeded average cost by $1,646,954. Total net assets at market amounted to $14,452,824 at year end.

The company's investment portfolio contained 71 individual issues with government bonds, preferred stocks, and cash, etc., amounting to 19.7% of the total net assets. Common stocks represented 80.3%. Canadian assets comprised approximately 83% of the total, the remaining being in U.S. dollar assets. Shareholders numbered 6,600 at year end and outstanding shares were 3,103,301.

INCOME ACCOUNT

Years Ended Dec. 31:	1948	1947
Total income	$759,044	$580,516
Less: Fees, ex. tax, disc., etc.	99,416	85,824
Inc. & prof. taxes	24,134	17,928
Net profit	635,494	476,764
Less: Divds. paid	632,479	519,602
Surplus for year	3,015	*42,838

*Deficit.

Earnings per Share and Dividend Record:

Spec. & Ord.:	1948	1947
Earn.‡	$0.221	$0.184
Paid	0.22	0.20

‡Based on average number of shares outstanding as calculated from dividends paid.

CONDENSED BALANCE SHEET

As at Dec. 31:	1948	1947
Cash	$459,491	$633,320
Invest. at cost▴	12,228,686	10,629,390
Accts. rec., etc.	142,450	112,748
Total assets	12,830,627	11,375,548
Accts., tax., etc., pay.	24,758	180,131
Capital stock	3,103,301	2,733,831
Surplus	9,702,568	8,471,496
▴Market value	13,875,640	11,988,143

NATIONAL LIFE ASSURANCE CO. reports increased business in force, total assets and income in its annual statement for the year ended Dec. 31, 1948. Insurance in force on Dec. 31 totalled $115.1 millions, up almost $7 millions and almost twice as much as the total ten years ago. The company has just celebrated its 50th year. During the year, all business in sterling was brought into the statement in dollars at the current rate of exchange. Accordingly figures in the table are not strictly comparable.

Receipts from all sources totaled $3.5 millions, from which the company paid $1,263,665 to living policyholders and beneficiaries of those who died, while $1,248,971 was added to reserves for future benefits.

Total reserves held for policyholders under policy contracts are now $19.5 millions. ($18.5 millions in 1947). During the year the company paid a dividend to shareholders including income tax of $25,317. Rate of interest earned on invested assets was 3.25% (3.17% in 1947).

	1948 $	1947 $
Insurance in force	115,154,453	108,199,806
New insurance	14,998,948	17,426,275
Total income	3,532,313	3,317,635
Premiums	2,694,103	2,530,776
Int, divds. rents	779,869	707,275
Pol. payments	2,512,637	2,494,243
Expenses, taxes, etc.	955,907	1,020,810
Sh'holders divds., etc.	25,318	25,000
Sterling adjustment	11,302	....
Liabs. to pol. holders	20,611,975	19,583,618
Liabs. to sh'holders	250,000	†256,250
Other liabs.	74,926	88,232
Conting. reserves	475,000	475,000
Other reserves	174,998	162,548
Total assets	21,915,128	20,760,883
Free surp. excl. cap.	328,229	195,235

†Incl. dividends $6,256.

Returns to 5.12%

	Price	Yield %
City of Toronto 3% Debentures, due Dec. 1, 1968	$100.00	3.00
Province of Saskatchewan 3¾% Debentures, due Jan. 3, 1961	97.64	4.00
Canada Steamship Lines, Limited 4% First Mortgage Bonds, due Dec. 15, 1966	99¾	4.05
H. R. MacMillan Export Co. Ltd. Cumulative Convertible Class "A" Shares	9.75	5.12

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Canadian Investment Fund Increases Bond Holdings

Canadian Investment Fund increased its common stock holdings in 11 companies in the last quarter of 1948 (for three stocks, it represented stock splits and not additional investment). In the same period it decreased common shareholders in one company and switched its entire holdings of International Petroleum Co. into Standard Oil (N.J.) in accordance with the U. S. company's offer to exchange Standard Oil shares for International Petroleum shares on the basis of three shares of Standard for every 20 shares of International Petroleum.

During the period, the fund also increased its preferred holdings in one company and boosted its investment in government bonds by $300,000. Following are the portfolio changes during the quarter.

At end of 1948, company's holdings of government bonds, preferred stocks, and cash, etc., amounted to 19.7% of total net assets—up from 16.3% at Sept. 30, 1948. Common stock holdings dropped proportionately — from 83.7% to 80.3%.

Increased shareholdings of Bell Telephone, Canadian Bronze and Canadian Celanese all arose from stock splits—four-for-one in the case of Bell, two-for-one for Canadian Bronze and four-for-one for Canadian Celanese.

At the end of 1948 Canadian assets comprised approximately 83% of the total, remaining 17% being in U. S. dollar assets. The portfolio of 71 stocks included shares of eight U. S. companies.

During the period outstanding shares of the company increased to 3,103,301, representing a new high, and reflecting a net increase of 159,275 shares. Shareholders numbered 6,600.

Company		Dec. 31, 1948	Change
Bell Telephone		*6,400	+4,800
British Amer. Oil		20,775	+2,775
Can. Bronze		*5,000	+2,500
Can. Celanese		*9,200	+6,900
Consol. M. & S.		5,000	+ 300
Consol. Paper		10,000	+1,500
Dom. Glass		2,000	—1,300
Ind. Acceptance		3,000	+1,000
Int. Petroleum		...	—11,000
Shawinigan W. & P.		10,125	+ 125
Standard Oil (N.J.)		2,650	+1,650
Steel Co. of Can.		7,000	+ 575
George Weston		5,000	+ 95
*After split.			
Preferred Stocks			
Dom. Glass Co.		1,000	+ 25
Bonds			
Dom. of Can. 1¾% '48		.....	—$200,000
Dom. of Can. 3%, 1962		$600,000	+$200,000
Dom. of Can. 3%, 1963		$600,000	+$100,000
Dom. of Can. 3% 1966		$700,000	+$200,000

Can. Tire Corp. Earnings Up

Canadian Tire Corp.'s 1948 earnings are up approximately 20% from 1947. The Financial Post is informed. Dollar sales rose by the same amount during the year and operating expenses have not increased greatly.

Demand for company products is said to greatly exceed supply due to restrictions on materials and imports which are less than 60% of requirements. The company plans to restrict its stores to 116 due to short supply of merchandise. It is intended to increase the number to 200 when merchandise becomes easier. Most of the increase will be in Quebec. During the year, six stores were re-located and many improved.

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The following 1st quarter dividends have been declared payable Feb. 28, 1949 to shareholders of record Feb. 15, 1949.

Class	†Regular	*Extra	Total
Agricultural	.09	—	.09
Automobile	.09	—	.09
Aviation	.07	—	.07
Building	.12	—	.12
Chemical	.07	—	.07
Elec. Equip.	.14	—	.14
Food	.07	—	.07
Fully Admin.	.10	—	.10
General Bond	.09	.01	.10
Indust'l Mach.	.12	—	.12
Institut'l Bond	.09	—	.09
Investing Co.	.10	—	.10
Low Priced	.09	—	.09
Merchandising	.09	—	.09
Mining	.08	—	.08
Petroleum	.10	—	.10
Railroad Bond	.03	—	.03
Railroad Equip.	.08	—	.08
Railroad Stock	.09	—	.09
Steel	.08	—	.08
Tobacco	.06	—	.06
Utilities	.03	—	.03

†From net investment income
*From net profits

Relax Curbs On Vancouver Lumber Export

From Our Own Correspondent

VANCOUVER — In an effort to find new markets for Canadian lumber in the United States, the Dominion Timber Controller has announced certain relaxations in export controls for the Vancouver forest district.

The order, in effect, relaxes controls on the export of some clear or top-grade lumber items for the next 90 days, as a test period. U. S. purchasers have been turning down shipments of ordinary lumber because they have not been able to get these clears, also. With these items now acting as "sweeteners" lumbermen here think that shipments to the United States will be speeded up and may soon replace more of the falling U. K. market.

Lumbermen may still only ship 60% of production, while the rest must remain in Canada. If, however, too many clears are drained off, or prices rise, the new relaxation order may be rescinded.

Relax Priority Rule

Among the items which may now be shipped are: "D" clear grades of fir, hemlock or Sitka spruce flooring and all short grades of clears; "C" clear and better grades of the same, and also angle and flat grain up to 10% of the shipper's total export shipments; railway car lumber; sash and doors which contain glass, and other items.

Rescinded is the priority reserve order which required mills to keep a stock to fill special priority demands. Mills, however, will still have to fill all priority orders for veteran's housing.

Shipments to the United States are on the increase, and this order will up them even further lumbermen say. The relaxation report is the greatest in the Vancouver forest district since controls were imposed early in the war.

In 1947 the United States took only 8.36% of the Vancouver district's production of around 2 billion feet; while in 1948 it took 23.74% of a slightly larger output. On the other hand, the U. K., with declining dollars, took 36% in 1947 and dropped to 20.81% in 1948.

Insurance Sales Set New Record

Canadians in 1948 bought over $1,208 millions of new ordinary life insurance, a moderate increase over the previous year and a new high.

Total purchases in December, including Newfoundland, were $113.3 millions. This was a gain of slightly more than 2%.

All provinces showed a gain on the month except New Brunswick, which showed a small decline.

The figures are for new ordinary insurance only, and are released by the Canadian Life Insurance Officers Association. The Association announced that December sales of new industrial insurance were $14 millions and of new group insurance $22.1 millions. Comparisons follow.

Sales of New Ordinary Life Insurance In Canada and Newfoundland
Sales in December
(000's of $)

	1948	1947
British Columbia	9,979	9,337
Alberta	7,211	6,488
Saskatchewan	4,037	3,800
Manitoba	5,907	5,280
Ontario	47,278	43,705
Quebec	31,410	25,282
New Brunswick	2,470	2,623
Nova Scotia	3,614	3,610
Prince Edward Island	611	573
Newfoundland	750	523
Total	113,317	101,081

Sales by Months
(000's of $)

	1948	1947
Jan.	99,037	104,411
Feb.	101,483	100,241
March	104,653	104,083
April	103,810	103,391
May	101,010	103,357
June	101,667	103,603
July	93,809	97,443
Aug.	84,013	82,111
Sept.	84,726	86,356
Oct.	100,887	102,600
Nov.	120,408	112,819
Dec.	113,317	101,081
	1,207,820	1,203,278

Milne Studios Photo

R. K. CARTY

has been appointed secretary-treasurer of Canadian Allis-Chalmers Ltd.

CPR Earnings For 1948 Down $4.5 Millions

MONTREAL (Staff) — Canadian Pacific Railway's 1948 net earnings were $18.4 millions, a decrease of $4.5 millions from 1947.

Vice-president E. A. Leslie states that working expenses for December were $1.6 millions higher than they would otherwise be, owing (a) to adjustment of the rates used in calculating depreciation on a user-basis, in order to take into account increases in the investment on which depreciation is accrued, made effective since the rates were first established, and (b) to the distribution to non-railway accounts of the applicable portion of income tax accruals.

MONTH OF DECEMBER	1948	1947	Incr.
Gross earnings	$31,077,318	28,604,854	2,472,464
Working expenses	29,194,152	24,681,553	4,512,599
Net earnings	1,883,166	3,923,301	†2,040,135
12 MONTHS ENDED DEC. 31			
Gross earnings	355,249,702	318,585,919	36,663,783
Working expenses	336,830,536	295,693,730	41,136,806
Net earnings	18,419,166	22,892,189	†4,473,023

†Decrease.

Kelton Corp. Bonds Offered

A new issue of $250,000 5½% first mortgage sinking fund bonds, Series A, of Kelton Corp. is being offered at $100 and accrued interest to yield 5.50% by Bankers Bond Corp. The issue is dated Feb. 1, 1949 and due Feb. 1, 1969.

Incorporated Dec. 9, 1948 Kelton Corp. acquired the assets and businesses of Kelton Manufacturing Co., founded in 1921; Peter-Austin Manufacturing Ltd., founded in 1941; and Art Chemical Products Ltd., founded in 1944 (see The Financial Post, Jan. 22).

Vendor of Kelton Manufacturing was Norman E. Kelk, president and general manager of the new company, who received $138,398.49 through the allotment and issue of 4,511 fully paid preferred shares at par and 16,709 fully paid common shares of the new company.

The amount paid for shares of Peter-Austin Manufacturing Ltd. was $35,461.24, being in the form of 1,156 fully paid preferred shares at par and 4,281 fully paid common shares. These went: 853 preferred and 3,161 common shares to N. E. Kelk; 223 preferred and 825 common shares to Lee Wilson; and 80 preferred and 295 common shares to Reginald R. Redpath.

Amount paid for shares of Art Chemical Products Ltd. was $33,216.13 in the form of 1,083 fully paid preferred shares at par and 4,010 fully paid common shares. These went: 798 preferred and 2,953 common shares to N. E. Kelk; 190 preferred and 703 common shares to Lee Wilson; and 95 preferred shares and 354 common shares to Reginald R. Redpath.

Proceeds of the bond issue are about $150,000 to pay for the new factory building, about $10,000 for additional machinery and equipment and about $65,000 for additional working capital.

The new factory building on Davenport Rd, Toronto, which was commenced last March, is expected to be in full operation by Feb. 15. Consolidation of the operations in one plant should effect substantial savings in materials and labor and substantially increase production, President Kelk states.

Sales volume is currently running at an annual rate in excess of $1 million, and all three divisions are experiencing steady growth, he states. Products are sold across Canada mainly to department stores, chain stores, (chain variety stores and chain drugstores), wholesale houses and jobbers. At present export sales are mainly to South Africa.

Capitalization, upon completion of financing, will consist of $500,000 authorized, $250,000 issued, 5½% first mortgage bonds; 10,000 authorized, 6,750 issued, shares of 5% preferred stock, par $20, and 50,000 authorized 25,007 issued, no par value common shares.

Total net assets amounted to $475,508 at Dec. 31, 1948, which included $179,737 net current assets.

Doubt Early Reorganization Of Claude Neon

MONTREAL (Staff) — Early reorganization proposals for Claude Neon General Advertising Ltd. are considered unlikely, The Financial Post is informed.

Recent sharp price jumps in the company's preferred shares set off rumors of an impending reorganization. Trading started last week at about $50 a share, went to $100, and was continuing at around the $85 level early this week. The common also jumped from 20c a share to 60c a share and was 50c a share this midweek.

Normally these are very inactive stocks but 1,162 preferred shares and 8,841 common shares traded in the week to Jan. 31.

The last annual report stated that the company intends to submit a plan of reorganization as soon as some negotiations with the Income Tax Department are cleared up; but these negotiations are still continuing, The Post understands.

The company was forced to move its Montreal offices two months ago to Point St. Charles, following expropriation of its Sherbrooke St. property under a street-widening scheme. Payment of $83,000 for the expropriated property is expected soon. Earnings have been adversely affected by dislocation occasioned by the move, a company official states.

Net profit in 1947 was $13,580, equal to 58 cents per preferred share. According to the company's consolidated balance sheet as at Dec. 31, 1947, equity per preferred share was $45.75, based on total assets less current liabilities, bonds being deducted at par. At that time there were outstanding $178,500 6½% collateral trust bonds on which unpaid interest accrued totaled $241,521. The entire amount of bonds outstanding is held privately.

Cockshutt Sees Business Good

Confidence in the future of Cockshutt Plow Co. was expressed by President C. Gordon Cockshutt at the annual meeting last week.

The position of the Canadian farmer is most satisfactory. The immediate outlook is encouraging and it seems probable that industry generally will experience another good year, Mr. Cockshutt said.

The high volume of sales for Cockshutt is attributed primarily to the buoyant market prevailing for farm equipment and to sales connections arranged by the company during the last few years whereby well established sales organizations were secured in the United States capable of disposing of a large quantity of merchandise, he pointed out. Up to the present it has been a problem to supply them with quantities required, he added.

While export business has been reasonably good, the British Commonwealth and European markets, on account of exchange difficulties, are practically dependent on ERP financing and this makes the future outlook in those countries uncertain.

The company's policy always has been to build its equipment in Canada rather than establish branch plants in other countries, he states.

Cancel Subsidiary MLHP Charters

MONTREAL (Staff) Charters of several subsidiaries of Montreal Light, Heat & Power Consolidated have been cancelled, it is announced in the Quebec Official Gazette.

Cancellation was carried out to eliminate necessity of keeping books for inactive subsidiaries of MLH&P shares purchased in 1947 by Quebec Hydro. MLH&P itself, and subsidiaries such as Montreal Island Power Co., will not be wound up as long as securities of these companies are still held by the public, according to a Quebec Hydro Official. Both bonds and notes of Montreal Power are still outstanding.

Companies whose charters were cancelled include:

Compagnie d'Eclairage et de Force Motrice de Montreal et du St. Laurent.
Compagnie de Lumiere Electrique Imperial.
Standard Light & Power Co.
Temple Electric Co.
Provincial Light, Heat & Power Co.
Quebec New England Hydro-Electric Corp.
St. Paul Electric Light & Power Co.
Saraguay Electric Light & Power Co.
Dominion Light, Heat & Power Co.
Montreal Gas Light Co.
Soulanges Power Co.
Tram & Power C. I. Co.
Equity Securities Corp.

Shareholders Approve General Trust Deal

Purchase of all the assets of General Trust & Executor Corp., Halifax, by the Canada Permanent Trust Co. was ratified at meetings of shareholders of each company last week.

The business will be merged with that of the Canada Permanent Trust at its Halifax branch under the management of Charles F. Mackenzie. Staff of the General Trust & Executor Corp. joins that of Canada Permanent and becomes eligible for its pension and insurance plans.

HEAD OF THE LAKES IRON has received permission to release 100,000 shares from escrow on Feb. 9, leaving 900,000 shares in pool.

New Highs in Pulp, Paper; '48 Output $800 Millions?

MONTREAL (Staff) — What the pulp and paper industry means to Canada—why it ranks first in production, employment, exports and investment and makes a major contribution to other Canadian industries—was indicated in President R. M. Fowler's address here last week to the Canadian Pulp and Paper Association. Here are some of the facts and figures he gave:

Canadian pulp and paper output increased by an estimated 260,000 tons and nearly $100 millions gross value in 1948 (production in 1947 was 7.7 million tons, valued at $700 millions).

To achieve this record, the industry provided 51,000 permanent jobs, apart from woods workers; paid salaries and wages of $416 millions (up $17 millions over 1947) to permanent workers and $132 millions (up $8 millions) to woods workers; paid an estimated $100 millions (up $12 millions to $15 millions) to various Canadian governments in taxes.

$75 Million More U. S. Funds

Pulp and paper exports in 1948 brought in $75 millions more in U. S. currency, through higher prices and greater physical volume, than in 1947 when exports to United States totaled $585 millions. These exports continue to run at nearly 40% of all Canadian commercial exports producing American dollars, Mr. Fowler pointed out.

Although 1948 figures are not yet available, some of the payments made by Canadian pulp and paper mills to other Canadian industries in 1947 included:

Transportation	$120 millions
Chemicals	$ 52 millions
Fuel	$ 32 millions
Electric Power	$ 24 millions
Food and Fodder	$ 25 millions

All these figures can safely be increased by 12% or 15% for 1948 by reason of increased volume and prices paid, Mr. Fowler said.

Mr. Fowler also touched on the following:

Productive Capacity — Newsprint industry's rated capacity for 1949 was 4,667,000 tons, up 189,000 tons from last year. Output in 1948 was 150,000 tons higher than in 1947 (4.4 million tons) 457,000 tons more than in 1946. Without construction of additional mills, 388,000 tons — almost half the total U. S. newsprint capacity — had been added to Canadian capacity through mechanical and technical improvements.

Canadian kraft pulp capacity of 800,000 tons yearly will be increased by 160,000 tons during the next two years, with completion of three new sulphate pulp mills now under construction.

Market Outlook — Newsprint supply on this continent is probably closer to satisfying demand than at any previous time in the last six or seven years. Prospect for 1949 is continued overall shortage, but fairly close balance between supply and demand, and, certainly, few cases of serious shortage and distress.

For most commodities other than newsprint, supply is in reasonable balance with demand. High level at which balance is achieved provides opportunity for greater attention to quality, salesmanship and service.

Exports — Progressively freer trade in pulp and paper products between Canada and the United States in order to help maintain a high level of trade between the two countries, was called for by Mr. Fowler. Each country should make those pulp and paper products which are best adapted to its skills and resources, without maintaining across the middle of a single economic area a curtain of tariffs and administrative restrictions. He believed the paper industries in both countries were sufficiently virile to overcome the difficulties and grasp the opportunities which would be created.

Some direct action to restore Commonwealth markets is necessary and should be possible, the speaker said: "If multilateral trade between nations is again to become a reality, greater attention must be paid to the preservation and restoration of trade in old and established markets, particularly those in other countries of the British Commonwealth. In the preoccupation with European recovery—and no one can deny its importance—there is danger that these older ties will be forgotten."

No Public Financing For MacMillan Export

There will be no public financing, so far as can be foreseen, in connection with the $13-million bleached sulphate mill now under construction by H. R. MacMillan Export Co., President H. R. MacMillan told the annual meeting.

Arrangements have been made privately for any financial assistance which might be required to complete the mill, and to leave the company with adequate working capital, it was said.

Shareholders approved the payment to regular employees of wage and salary bonuses which will cost the company and its operating subsidiaries approximately $600,000. The cash bonus will be payable immediately to all regular employees now on the payroll, below the rank of managers, assistant managers and the equivalent. It will be calculated on the basis of remuneration received during the last calendar year. Hourly workers fully employed last year, for instance, will receive in excess of $100.

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Parliament Not a Prize Fight

Election year or not, the Canadian public is expecting something more than a sparring bout from Parliament this session. That sort of thing may provide entertainment on the sports pages, but it will not solve some grave and fundamental problems facing this country, problems which must be faced immediately if we are to escape serious and painful consequences.

The disposition so widely fostered in some quarters to expect of this Parliament an oratorical slug-fest, a vaudeville show of temperament and temper, is deplorable and not what will serve the interests of this country.

Foremost of these will certainly be the future of international trade and what is to be our specific contribution to North Atlantic defense. Every citizen and every industry are vitally concerned. There can be little planning without taking these matters into consideration.

Yet Parliament so far has given little notice that the importance of these problems will be recognized. There is little or no enlightenment in the Speech from the Throne nor in the debate that has followed.

On the contrary the emphasis has been on domestic issues some of which, relatively speaking, are of insignificant importance and obviously raised solely for partisan purposes.

In the democracies, it is true, it has been the fashion of politicians to play up the domestic field and play down the other, to tell about the post offices and wharves they have built, or will build if elected to office. We can afford that sort of thing perhaps, when times are normal, but not when the world is trying to recover from the most disastrous war in all history, and facing maybe another.

The public expects that Parliament will give some serious leadership. It is not enough to dismiss international matters as something over which Canada has not full control, that we can do nothing, make no plans, until the first move comes from Washington or elsewhere. The attitude of the other democracies is important, certainly, but Canada is no mere satellite. Neither does it expect to play the part of a satellite, nor be treated as one in world moves ahead.

Too often in the past Parliament has frittered away its time on unimportant details, while the main decisions have been left to secret cabinet sessions.

To do its job well, the Opposition will not necessarily oppose every move that comes from the other side of the house. There are not two sides to every important question. On some there can be only one. To agree with their political opponents in such cases does not lower the prestige of any party and it does let important work proceed without delay.

And in highly controversial problems, too, the public expects that Parliament will show improvement. Continually turning such matters over to some Royal Commission or avoiding them altogether, as was the case with margarine, isn't good enough. On some highly technical questions like freight rates, a special investigation is warranted, but there is widespread suspicion that the commission technique has been used repeatedly for shelving awkward and embarrassing problems that Parliament itself should face.

Why a Railway Crisis?

Before the war when a Canadian railroad wished to purchase 10 first-class day coaches and the locomotive to haul them the bill from the builders amounted to $693,577. For the same bit of shopping today the bill would be $1,081,280, according to a recent compilation by the CPR.

But that is only part of the story.

A locomotive and ten passenger coaches are no good to the railroad or the public unless they are put to work. Here again there is a striking difference with prewar. If the locomotive burns oil the bill for that fuel is exactly twice what it was prior to 1939, three cents per gallon against six cents now. If coal is used the cost is $7.75 per ton against $4.12. And that is not all.

There must be labor to feed the coal or oil, operate the locomotive, take the tickets and perform the other scores of jobs necessary to keep our trains running.

Here again costs have jumped an average of 70% for all classes. And it is same story all down the list.

Against these increases which average around 65% above prewar there has been one increase in freight rates, 21% on most commodities but nothing at all on some including grain, which is a major product carried in Canada.

It is these two different sets of figures that have created the present railroad problem in Canada. It is the old story of costs rising far faster and higher than revenue. This is the problem which the newly appointed Royal Commission on transportation must face.

No matter how that Commission may attempt to solve it the final gap between highest possible revenue and lowest possible costs must be bridged in some fashion and from funds contributed from one source, the Canadian citizen.

Whether the difference will be made up partially or entirely by higher carrying charges or by state subsidies it will come out of the citizen's pocket just the same. Directly or indirectly every citizen pays taxes just as everyone pays transport charges.

Place of Business Paper Editor

The role of a business paper serving its readers was reversed this week when the Food Industries Association gave a dinner to Editor B. T. Huston of Canadian Grocer. But this was not an ordinary occasion. It marked the completion of 40 years' association for Editor Huston with Canadian Grocer, pioneer of today's 37 Maclean-Hunter publications.

Forty years' service with a single publication in a highly specialized field is a record that few individuals in this or any country can match.

The relationship of the business paper editor with the field he serves is much more intimate than that of any other segment of the press. Between him and his particular field and government there is a close community of interest.

He is an expert in his field. He must know as much about it as the men in it directly. His work is of specific aid to his field. In seeking solutions to its problems, in contributing to its healthy development, the business paper editor and the executives of the particular industry are engaged in a mutual effort.

As attested by the growth of the business press, this goal has been widely achieved and, throughout industry, recognized.

It is recognized also by government. Both in Canada and in the United States, a Conference of Business Newspaper Editors meets periodically with cabinet ministers and top officials of government for off-the-record conferences for discussions on policies affecting all business and particular businesses.

The Role of the Stock Exchange

The Montreal Stock Exchange celebrated its 75th anniversary last week. The beginning of the exchange actually goes back some years earlier, when citizens formed the "Board of Stock Brokers" and transacted business in each other's offices. In 1874 this organization became the Montreal Stock Exchange. In the exchange archives it is recorded that the first listing fee received by the board of stock brokers was spent on champagne for the members.

Originally only 63 issues were traded on the Montreal exchange and bank securities made up about a third of the list. With the completion of the Canadian Pacific Railway in 1887, trading picked up rapidly, industrial stocks increased and trading switched to rails, utilities and industrials. The industrial age had reached Canada.

Remarkable progress has been made in all fields — social, economic and scientific — in three-quarters of a century. Exchange members along with those of the other Canadian stock exchanges have made a real contribution to the development of the country. As Emil Schram, president of the New York Stock Exchange, in his address to the MSE's 75th anniversary pointed out:

> "The stock exchanges' contribution to both economic and social progress has been the provision of free markets which mobilized the savings of the two nations in the development of new inventions and discoveries. The vastly greater and better standard of living we now enjoy compared with 75 years ago is due, above all, to the development of the industries serving our every-day needs. The expansion of small business into large-scale industry to bring the telephone, electric light, the X-ray, the self-binder into the lives of the citizens of the two countries would have been impossible without parallel development of the facilities of the stock exchange."

Economic progress under our free enterprise system depends on savings. But to become productive, savings must be put to use. The primary function of all stock exchanges is to provide a market that mobilizes and distributes savings into industry and at the same time assures stockholders of liquidity. The exchange provides a meeting place for buyers and sellers.

"Good Standing" Means "Paid Up"

Labor unions in Ontario are putting up a barrage of criticism against the new provincial labor act, which is patterned after the federal labor code initiated by the Dominion Government. Much of the union's fire is being directed at the section of the act covering the point of the "good standing" of members for purposes of union certification by the Ontario Labor Relations Board.

Under the new code, the question of determining good standing is properly a matter for the labor board; the unions claim they should be the ones to make the interpretation, based on their constitutions. This interpretation might or might not depend on the matter of paid-up dues.

There may be circumstances under which a paid-up member of any group, club or association might not be in good standing for a variety of reasons; but rarely does the reverse hold true. A member not paid up is not in good standing unless there has been some special dispensation.

The unions themselves play by this rule when delegates to labor conventions are named. A union with 10,000 members, of which 2,000 are paid up, gets delegates in proportion to the 2,000, not the 10,000. And "paid up" in this case means cash on the line; not two, three or six months behind. And labor federations will certainly not accept a boxful of signed cards in place of paid-up per capita dues.

The problem, then, should not be the stickler it is made out to be. If the unions in their own councils insist that "good standing" means nothing else but "paid up in full," they should not try to claim that it means anything less in the dealings between unions and the governments of the people.

Need For More Assets

"Why do the assets of life insurance companies continue to increase from year to year?" This is a question which often comes up, particularly at this season when life companies are issuing their annual statements.

E. C. Gill, vice-president and general manager of Canada Life, at the company's 102nd annual meeting last week, commented that those who raise this question point out that the premium and interest income of insurance companies exceeds death claims and other payments to policyholders by a wide margin. They suggest that the excess of income over payments represents something in the nature of a "growing, unneeded surplus."

Mr. Gill gives this clear, straightforward explanation:

> "The simple point overlooked is that the liabilities for future contractual payments to policyholders or their beneficiaries are increasing at approximately the same rate as the assets of the companies. This is particularly evident if one considers the millions of dollars entrusted to life insurance companies in recent years in exchange for the promise of endowments or annuities at some future date.
>
> "Necessarily, as these promises of future security accumulate there must be a parallel growth in assets. This growth in assets, with the corresponding growth in contractual liabilities, is taking place because the public is exhibiting an increasing confidence in life insurance."

The logic of this answer is so clear, it is sometimes difficult to understand why the question of the need for increased assets is raised. In this respect, life insurance is like any other business: as "inventory" values increase, the increased cost of replacement must be provided for if the business is to maintain a secure, profitable position.

Napier Moore's

Scratch Pad

IN WARTIME WASHINGTON they used to tell this as a true story:

Anxious to do her bit, the daughter of a rather prominent citizen went to the capital and got a job in a government office. She had very little to do. So, to brush up her stenography, in her spare time she would go to the Supreme Court, take shorthand notes of the proceedings, and then transcribe them on her office typewriter. All of which was merely practice. But a department supervisor, noting how busy she was, brought in an assistant to help her!

The pattern of governmental business methods is studded with little things like that. But there are bigger problems.

In the U. S. within relatively few years, the number of civilians employed in the federal civil service has jumped from 600,000 to 2,200,000. Cost has multiplied 20 times; from $2 billions to more than $40 billions. The very weight of the system is bogging it down. That is why Herbert Hoover, former U. S. president, heads a commission charged with the job of making recommendations for a reorganization of governmental operations.

The Hoover report has not yet been submitted to Congress, but there is a vast amount of speculation as to how it will tackle some knotty complications. For instance, a Washington correspondent tells us there are at least 1,800 government agencies, 250 of which, because of their special powers, are immune to executive interference. They are almost self-contained authorities.

Heads of departments under Congressional control have their problems, too. It seems there are something like 75 different laws covering the hiring of new employees. And there are plenty of new employees. Turnover alone reaches half a million annually. In the case of firing there are so many congressional restrictions that it is less trouble for a department chief to keep an incompetent employee than to let him out. For an employee can plead his case before four courts of appeal. It could take as long as 17 months to get a dismissal to stick.

* * *

EVERY NOW AND THEN our life is brightened by the arrival of a letter from Harold W. Donahue, advertising consultant, of London, Ont. It isn't solely because Mr. Donahue writes in a breezy style. He adorns his stationery with seasonal stickers. An epistle we got from him in December bore a Christmassy wreath. At this moment the lilt of Spring is in our heart. For on his latest communication, placed with full regard for artistic composition, is a neatly cut-out sticker of a richly yellow song-bird.

* * *

IT MUST BE NIGH ON 20 years since we met, in Calgary, Cecil G. Barnham-Kappey. Kappey, an extremely good musician, spent some time urging us to write some lyrics so that he could set them to music. We said we'd like to do that very thing—as soon as we could get 'round to it.

Time passed. Kappey moved East. We'd run into him occasionally, and invariably he would enquire about the lyrics we never wrote.

Recently, Kappey's patience—and he's a very patient man—gave out. He sat down and wrote a song, both words and music. He showed it to Wishart Campbell, well-known Canadian singer and radio maestro, who, while suggesting a modification of range for an average voice, ventured the opinion that the number was a seller in the ballad field.

The Morris music company in New York and Canadian Music Sales Corporation here thought so too. They have published it. The song is getting big time promotion; is clicking. You'll probably hear it at weddings from now on. For its title is "O Blessed Wedding Day," and it is, so far as we can learn, the first wedding song written since "O Promise Me."

* * *

THERE'S A LINE OF VERSE which says, "Back of the canvas that throbs, the painter is hinted and hidden." Our office walls don't throb, and the painters are neither hinted nor hidden. They're right on top of us. We're going home.

Stop Me If—

A minister, substituting for a friend in a remote country parish, was greatly surprised on observing the old verger, who had been taking up the collection, quietly abstract a 50c piece before presenting the plate at the altar rail. After service he called the old man into the vestry and told him with some emotion that his crime had been discovered.

The old man looked puzzled for a moment. Then a sudden light dawned on him.

"Why, sir, you don't mean that old half dollar of mine? I've led off with that for the last fifteen years!"

* * *

The captain of a steamer took on two hands—one a Kirkcaldy man without a written character, the other a man from Dundee possessed of abundant documentary evidence as to his honesty.

They had not been long at sea when they encountered rough weather, and the Dundee man, when crossing the deck with a bucket in his hand, was swept overboard. The Kirkcaldy man saw what had happened and sought out the captain.

"Dae ye mind yon mon from Dundee," he said, "that ye engaged wi' the fine character?"

"Yes," said the captain. "What of it?"

"He's awa' wi' yer bucket," was the reply.

Cartoon by Grassick.

MR. ST. LAURENT: "I HOPE THIS WILL SATISFY HIM."

Post Scripts

Dairy Farmers' President

It's over 45 years ago since Gilbert McMillan, a 17-year-old Scot, disembarked himself and a herd of Ayrshires onto Canadian soil for the first time.

MR. McMILLAN

It had been a stormy crossing. When the cattle boat finally arrived at Quebec, all on board were quarantined for a month because of a minor outbreak of smallpox which had occurred en route. To top it all, young McMillan had to wait still another three weeks at Levis while the cattle underwent their routine quarantine before being admitted to the country.

Despite this somewhat unhappy introduction to Canada, Gilbert McMillan stayed on to become a successful cattle breeder, importer and judge, and recently, president of the Dairy Farmers of Canada.

His new job isn't the first senior position he's held in the industry. Among other things he is: past president, Canadian Ayrshire Breeders Association (still represents them in the Dairy Farmers of Canada); past president, National Dairy Council; former chairman, Canadian National Livestock Records Board; former member, Quebec Dairy Commission. For more than 25 years he's been a director, and is current president of the Ormstown Exhibition, one of Eastern Canada's two annual fairs.

McMillan's record as a farmer has been equally impressive. He spent part of his early career in the United States as herdsman for Willowmore Farms in Washington state, but after nine years there, returned to Canada to start farming on his own. In the succeeding years he built up the famous Springburn herd of Ayrshires on his 240-acre farm near Huntingdon in southwestern Quebec where he still lives. At various times he has acted as judge at most of the important cattle shows on the continent.

Although he retired from active farming in 1944 and disposed of his famous herd at public auction, the new head of the Dairy Farmers has continued to do some buying and selling of cattle for export.

* * *

Seeks Oil the World Over

W. M. V. Ash takes over the presidency of Shell Oil Co. of Canada at a time when the Canadian petroleum industry is adjusting its planning to sharply boosted consumer demand and the discovery of huge new oil reserves in Alberta.

MR. ASH

With eight years in the marketing, 12 in the exploration, producing and refining branches of the business. Vacy Ash can supply top-quality leadership to Shell. He is only 42, smoothly efficient and highly personable. He played rugby football at Oxford and looks as if he could get back into top form in short order. He was born in Dunfermline, Scotland.

After taking a course at Grenoble University, France, Ash went on to Oxford, where he graduated in 1929. He went straight to Shell and has been with them ever since, serving in Egypt, Palestine, Arabia, California, Trinidad, New York and Alberta.

In 1944 he became a member of the supplies sub-committee of the Petroleum Administration for War in New York. In 1946 the governor of Trinidad nominated him a member of the colony's legislative council.

For nearly two years the new president was in charge of Shell's drilling and exploration program in Alberta. This period saw the company's first drilling in what later proved to be the important Jumping Pound natural gas discovery.

Ash is a great admirer of Canada; prefers our climate to that of Trinidad, even in the winter. A keen sportsman, he is interested in hunting and fishing, particularly fly fishing.

After special assignments in the Middle East, Ash became assistant to the vice-president in charge of production in Los Angeles. That was in 1937; in 1941 he was appointed executive assistant to the president of Shell Oil in New York.

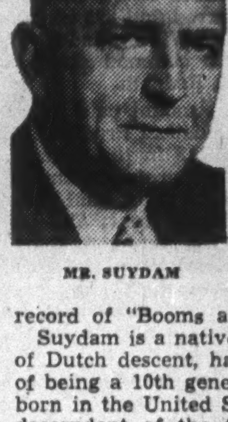
He came to Canada at the beginning of 1942 as general manager of Shell Exploration and for nearly two years was in charge of exploration in that province. He then returned to New York and in 1945 went to Trinidad as general manager of British United Oil fields, an associate company of the Shell group engaged in the production, refining and marketing of oil products.

He arrived in Canada recently to succeed P. M. Fowlie as president of Shell Oil of Canada.

* * *

Man of Credit

The newly appointed general manager of the Canadian Credit Men's Trust Association takes over his new office at a time when Canada's businessmen are increasingly aware of lagging payments and rising trend of bankruptcies.



MR. SUYDAM

Dynamic John H. Suydam brings a lifetime of credit and business experience to his new duties, being familiar with cycles and trends and having just recently compiled a record of "Booms and Depressions."

Suydam is a native of Orange N.J., of Dutch descent, has the distinction of being a 10th generation Hollander born in the United States, is a direct descendant of the first white child born at New Amsterdam, now New York City.

He came to Canada in May, 1915 for the sole purpose of joining the Canadian army, remaining here ever since. Upon his return from overseas as a sergeant in the 3rd Battalion, Toronto Regiment, Suydam became credit manager of the Dominion Rubber System (Ont.), leaving in 1922 to become identified with the CCMTA where he held managerial positions in service and collections.

In 1929 Suydam was appointed manager of Toronto Credits Ltd. and the Retail Credit Bureau of Toronto and remained with that organization until last September when he took over the Ontario division of the CCMTA.

He is Canadian correspondent for "The Credit World"; editor of "Credit in Canada"; member of the legislative committee of the Toronto Board of Trade; member of the Toronto Citizens' Re-establishment Credit Advisory Committee; secretary of Credit Granters' Association; past president of the Toronto Chapter of the Canadian Credit Institute; Associated Credit Bureau of Ontario and Quebec; Ontario Association of Collection Agencies; past sec.-treas of Credit Granters' Association of Canada; and past director of 5th district Associated Credit Bureau of America.

What Others Are Saying

Editorial of the Week

It Should Have Been Shouted

Montreal Gazette

In politics, as in love, it is possible to act not wisely but too well. Such seems to have been the lot of Reconstruction Minister Winters, of the federal Liberal cabinet. He prepared an address that had a real message in it. He was to have delivered it before the advisory council of the National Liberal Federation at Ottawa. But the words that were written were not spoken. In his prepared text Mr. Winters had written:

> "Getting votes is obviously not a matter of handouts or tumbling over ourselves to out-socialize the Socialists. The recent by-election in Digby-Annapolis-Kings highlighted the point. More was done for this constituency by way of direct financial beneficence than probably any other constituency in Canada—and you know what happened."

It may be pointed out, of course, that Mr. Winters is still comparatively new in the realm of politics. But this does not detract in any way from Mr. Winters, nor from the plain truth of what he wrote and obviously felt, and felt deeply. What he said needs to be taken to heart not only by his own party but by both of the so-called "old parties."

This message is something that ought to have been shouted from the housetops, instead of being rubbed out by somebody's blue pencil.

Other People's Views

STAYING POWER in the cold war will count this year, states the **Vancouver Province.** "Our job, democracy's job, is to outwait and outstay them (the Communists), to remain strong economically and militarily. That way we can win the cold war and prevent a shooting war, too."

LAW COURSES in Ontario should be revised, says the **Windsor Star,** which adds: "The University of Toronto has a law course, but its graduates still must go through Osgoode Hall before they can practice. It would be best if the University took over Osgoode Hall. It is an anachronism to have it operated by the Law Society. The interests of the Law Society not necessarily are the same as those of society in general, which law graduates must serve."

WASTING TIME are thousands of students in college today, believes the **Guelph Mercury.** "Thousands of youngsters are in college today simply because they have a notion that it is the correct thing to do. They do not want to be educated; they are, in fact, not susceptible to an education. They simply clog the wheels and waste the efforts of the institution they attend. A sharp drop in college enrollment figures would probably be a very healthy indication."

SHOULD HEART CASES be allowed to drive cars? **The Vancouver Sun** does not think so and makes this suggestion: "Doctors might give a list to the licensing authorities of all adult patients under treatment for disorders unfitting them for safe driving. Doctors are obliged to report contagious and infectious diseases to the health authorities — and measles are less deadly than automobiles."

A QUARTER OF A BILLION dollars is not too large a sum to be set aside each year to pay off the national debt, thinks the **Fundy (N.B.) Fisherman.** "Any well-run private corporation which has a large debt sets aside a certain portion of their income each year as a sinking fund to ultimately take care of such debt.

"The Dominion Government owes over $15 billions, and $250 millions a year would be a reasonable figure to set aside annually to ultimately pay our wartime obligations."

OUR RECORD EXPORT today is no guarantee of future volume, points out the **Halifax Chronicle-Herald** which is particularly alarmed regarding the trend of export to Britain. "For the last two years Canada has been maintaining exports by virtually giving them away. That is an unhealthy situation. By 1952 Canadian imports from Britain must roughly equal her exports to that country. If we are wise we shall bend every effort to devise means to attain such a balance of trade. Otherwise we may find the bottom apparently inexplicably falling out of our present prosperity, with inflation still rampant."

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LABOR ROUNDUP By RONALD WILLIAMS

Communist Advance Guard in Nfld., Seamen's Union Agent Makes Labor Tour

Newfoundland has many social and economic problems. But one she has been spared is Communism. Now, as Canada's tenth province, the Island is about to get its first taste of Red infiltration.

Reports reaching Halifax indicate that an advance guard of the Communist-run Canadian Seaman's Union has already visited Newfoundland to lay the groundwork for organization of the important fishing industry.

Conditions are almost ideal for Communist operations. The labor movement is comparatively weak. There are 76 unions, most of them AFL or independent. There are only three CIO. Of these, there is only one major fishermen's union, the Fishermen's Protective Union, at Port Union. But it is more a political and commercial organization than a labor body. During the past few years it has not been very active.

Another important lure attracting the Canadian Communists is the fact that fishing is the Island's major industry. History shows that the Reds concentrate on key industries. The Seamen's union is already established in Canada's important merchant marine, one of this country's economic life lines.

This organization has already played havoc with Canada's shipping and fishing industry. It disrupted Nova Scotia's fishing industry, calling a "suicide" strike through its offshoot, the Canadian Fishermen's Union. The outcome was complete failure. Men lost their jobs, the strike was broken and the union disappeared. Ex-president Bert Meade is now a dispatcher in the CSU hiring hall at Halifax. He is a Communist.

* * *

Communist Cook's Tour

First step in the CSU's program was taken when Meade (his wife Ethel was an LPP official in Nova Scotia) arrived in St. John's to take a look at the labor situation with longshoremen, coastal seamen and fishermen.

The word is he did not receive a very warm welcome, particularly from the longshoremen. The Longshoremen's Protective Union is a pretty closely knit body and they don't take kindly to outside interference. They won't even have anything to do with the local Newfoundland Federation of Labor.

But besides looking at St. John's longshoremen and coastal seamen, Meade also studied St. John's fishermen operating dragger trawlers out of the port and workers in fresh fish plants. Then he moved out into the country, traveling to Grand Bank and Burin on the south coast, where he again talked to workers employed in fresh fish plants and fresh fishermen.

From there Meade went back to Halifax, to be replaced by another, lower echelon organizer who is now concentrating his efforts in an attempt to organize coastal seamen in a Newfoundland branch of the Canadian Seamen's Union. Up to now he hasn't been very successful, although he does claim some converts.

But informed Nfld. circles are wondering whether Meade's visit was only concerned with organization for the C.S.U., or did he act as the advance agent of the Communist wing in Canada's labor movement in looking over the ground as a prelude to the Commies coming into this country when union with Canada is consummated?

With Meade's reputation, this is by no means a remote possibility. It is supported by the fact that Meade didn't confine himself to a look at labor organizations which could become part of the C.S.U., but also studied the railway and pulp and paper workers' unions.

Last month the American Federation of Labor began an organizational drive, bringing all the Newfoundland unions into the AFL fold. (The Financial Post, Nov. 20.)

In the next few months Newfoundland will become Canada's tenth province. At the same time Newfoundland labor will also become part of the Canadian labor movement. It is during this period of changeover and reorganization that the Canadian Commies may try to sneak in through the back door.

So far as is known at present there are no Newfoundland Communists, although several of the local labor leaders are extreme leftists. Whether these will become Reds, or at least fellow travelers, later on is problematical.

* * *

Teamsters Start Drive

Starting April 1, the big AFL Teamster's Union will embark on an extensive organizing drive to bring thousands more into its fold. The goal for Canada is 50,000: present membership here; 15,000. The union is going after workers in the following trades: automotive; service stations; parking lots; garages, car washing establishments; automotive part supply houses and drive-away operations.

Top man in the Canadian end of the drive will be A. F. McArthur, the union's international representative. He is also president of the AFL Ontario Federation of Labor. In announcing the drive, McArthur sounded as tough as his tough boss, Dave Beck, the International president:

"If one branch of a company has trouble with a local in one part of the country, it will have trouble in all its other branches," he warned.

* * *

$60 Weekly For Grocery Clerks

Ordinarily, the only time the general public learns what wages an industry or a firm pays is during or shortly before a dispute or a strike. Last week the U. S. national chain grocery firm, Safeway Stores, Inc., disclosed its current rate after they had been agreed to during peaceful collective bargaining.

As a good piece of public relations, it rated high marks; but the advertisements Safeway ran in New York papers were also a smart bid for new employees at a time when the labor market is tightening up.

Under the heading, "No one making $3,000 per year is 'just a grocery clerk,'" the ads invited enquiries from those interested in future openings.

Some of the weekly rates listed were:

Journeymen meat cutters: minimum $67.50; maximum, $81.

Food clerks: starting rate, $41; maximum, $60.

Benefits include a week's vacation after six months' service, two weeks' vacation after one year; seven paid holidays; a 9-hour day; five days a week.

They also get liberal sick pay and accident insurance, an insurance co-operative plan, hospitalization and a co-operative pension plan.

* * *

Left's Gains And Losses

The Left gained a seat on the Vancouver, New Westminster and Districts Trade and Labor Council (AFL—TLC) and lost everything in Toronto. In the West, Tom Parkin, organizer for the Communist-Run Fishermen and Allied Workers' Union was elected to the executive board as organizing committee chairman. It was the only change from the 1948 executive: president, Birt Showler; secretary-treasurer, R. K. Gervin; vice-president, A. T. Alsbury; statistician, J. Eaves; warden, J. Stevenson; press committee, S. Shearer; grievance committee, R. Cormack.

Rightwingers scored a clean sweep in the annual election of officers for the AFL Toronto and District Labor Council, the biggest of its kind in Canada. Despite plumping by the Left, their executive board candidate, Communist Sam LaPedes was badly beaten. So was Communist Reg. Wright of the Chemical Workers in a bid for the treasurer's post. Re-elected president (with Communist support) was middle-of-the-road William Jenoves.

* * *

55 Seamen Jailed

The picket-line violence and lawlessness may be over but repercussions from the Canadian Seamen's Union attempted blitz on the Great Lakes are still being felt. As 1949 opened, 55 striking seamen had been jailed a total of 56 years. Thirteen had been sentenced to the penitentiary, including the union's No. 3 bigwig, Mike Jackson, director of organization on the Great Lakes. Another 70 were either awaiting trial or appealing convictions. Some 30 or 40 had been acquitted.

Never before in Canadian labor history have so many strikers been sentenced to such severe prison terms.

At the moment, the Communists and some of their helpers are wringing every bit of propaganda they can out of the imprisonment of these "seamen," many of whom are teen-agers and have never before set foot on a ship. A "Defense Committee" has been formed to raise funds to try to get them released. It is headed by non-Communist Rev. I. G. Perkins, minister of Toronto's Donlands United Church.

Unions are being pressed to rally to the cause. So far most CIO groups have adopted a "hands-off" policy solely because of the Communist angle. But for this, they would likely be in there with both feet.

The LPP's labor union liaison man, Joe Salsberg, in his weekly column in the Communist Canadian Tribune lashes out with hammer and sickle at unions which refuse to be drawn into the Communist web.

"The Canadian labor movement," he confesses, ". . . and others who boast of concern for civil liberties are scarcely audible in their protests against this caricature of justice . . . Only labor traitors (Millard, Conroy and Mosher, etc.) will stay away from this struggle. Everyone else must and will join it."

At midweek, only a few commie-controlled unions had paid any attention. The bulk of labor had learned its lesson the hard way. It wasn't going to fall so easily again for this sort of thing. Until the CSU shakes off its Red mantle, legitimate labor won't raise a finger to help out.

* * *

World Union Founders on Reds

The first attempt to weld together the trade unions of the world into a single universal federation has foundered on the rocks of Communist deception and manoeuvring.

Last week the CIO, the British TUC, Netherlands unions and Canada's CCL pulled out of the World Federation of Trade Unions on the grounds that it was nothing but a sounding board for Soviet Russia. The UN International Labor Organization is staying in; so are Russian, French, Italian and Chinese unions.

Out of the wreckage, a new non-Communist world organization is expected to grow. It is considered likely that this time the American Federation of Labor will join, something it steadfastly refused to do before. Possible membership seen for such an organization is 30 million. The WFTU claimed to represent 70 million.

* * *

Labor Briefs

Amalgamation of the United Farmers of Alberta and the Alberta Farmers Union into one organization, the Farmers Union of Alberta has been completed with Carl J. Stimpfle as full-time president of the new body representing some 90,000 farmers in Alberta.

* * *

Toronto Pressmen were this week threatening a repetition of last year's lengthy strike that shut down all but a few of the city's publishing and printing houses, outside daily newspapers. The union is asking 25c an hour: management has offered 12c. A solution may emerge out of conferences being held in the union's International headquarters in Tennessee and attended by Canadian officials.

* * *

The Policy committee of the powerful CIO Steelworkers met last week and issued an "invitation" to the industry to sit down and work out a national formula for wage and contract changes. Present contracts expire in April. The committee said it wanted "substantial wage increase" but gave no hint as to what it meant by "substantial."

* * *

The semi-annual report of the CIO Steel Workers Union in the United States shows a slight gain in members, to 930,000. At the same time the Union's net worth rose to $6.9 millions; income in the last six months of 1948 amounted to $8.3 millions of which $4 millions went back to locals.

* * *

Meeting in Welland, Ont. the quarterly meeting of the Communist-run CIO Electrical Workers continued to go down the party line by unanimously approving a resolution declaring: "The only possible outcome for the labor movement of such a decision (the CCL command ordering the CIO Mine, Mill Union out of the Timmins area) in civil war within the ranks of labor and eventual destruction of the trade union movement."

D. M. WATEROUS

formerly vice-president and general sales manager of Waterous Ltd., Brantford, has been appointed vice-president and general manager.

Brokers Fine Member For Unethical Conduct

The Broker-Dealer's Association of Ontario has taken disciplinary action against a member found guilty of unethical conduct. The member was fined by the Association for having issued advertising which the Board of Governors did not consider to be in the public interest or in the interests of the Association.

The Association recently made it compulsory for all its members to file copies of advertising matter before distribution to the public.

CENTRAL PATRICIA GOLD MINES reports bullion production of $351,721 from treatment of 38,354 tons of ore in final quarter of 1948.

Canada Fur Auction Centre As Old World Marts Fade?

Informed observers this week foresaw a new place in the sun for Canada, as one of the world's leading fur auction centres.

Europe was a large fur buyer in prewar years, with London and Leipzig as the main auction centres. Today, however, the market has shifted to the United States, where 75% to 80% of furs are now sold.

Some sources suggest the possibility of the Hudson's Bay Co.'s transferring its fur sales from London to Montreal, particularly in view of the dollar revenue which such a move would represent.

Approximately 80% of the fur business is now in Persian lamb and wild or ranch mink; muskrat furs have ceased to be an important factor. Canadian buyers last week accounted for 50% to 60% of Afghan lamb purchases in New York, and were instrumental in keeping prices up. By and large, however, Canada plays a small role in retail buying.

Process Sealskin

Another development strengthening the Dominion's position in the fur market came this week, with announcement that Alaska sealskin will be processed in this country for the first time, next autumn. The undertaking will be launched, under supervision of English experts, by Martin Schnaufer Ltd., Toronto, fur dressers and dyers, and Canadian associate of C. W. Martin & Sons. The latter firm is one of the largest fur dressers and dyers in the United Kingdom, and one of the world's chief sealskin processors.

Ottawa has been interested for some time in having processing operations for Canadian account, formerly done in London and in St. Louis, Mo., transferred to this country and has co-operated in arrangements to facilitate the move. So far there is no indication that the American company—Fouke Fur Co., St. Louis—plans a similar move.

Under an international agreement with the United States, Canada receives one fifth of the annual seal kill on the Pribilof Islands, north of the Aleutian chain in the Bering Sea. Last year Canada's share was about 16,000 skins, sold by the federal Government at Montreal and St. Louis for $865,400. The skins were then sent to St. Louis and London for processing, and were reimported later for use in wearing apparel. Because of Ottawa's current drive to conserve U. S. dollars and to attract outside industry to this country, it is thought that most of the sealskin processing from now on will be done here.

Martin-Schnaufer Ltd. has purchased a new building on Davenport Rd., Toronto, which will afford 12,000 sq. ft. additional floor space. The Alaskan sealskin operations will be done at the old plant, while processing operations of some other skins will be transferred to the new location.

Osisko Lake to Drill From Ice This Winter

Osisko Lake Mines is planning a diamond drilling program shortly from the ice of Osisko Lake, President W. B. Maxwell states. No work has been done on the property since completion of the 1947-48 winter drill test.

Company hopes that proposed drilling from Noranda's underground workings into Osisko Lake ground will get under way this year. Working capital exceeded $900,000 at Jan. 1, 1948.

(These bonds having been sold, this advertisement appears as a matter of record only)

New Issue

$900,000

COMPAGNIE FRANCE FILM

(incorporated under the Quebec Companies' Act)

4½% First (Closed) Mortgage Sinking Fund Bonds

To be dated: January 2, 1949 **To mature: January 2, 1964**

Principal and semi-annual interest (January 2 and July 2) payable at any branch in Canada of the Company's bankers. Coupon bonds in denominations of $500 and $1,000, registerable as to principal only. Redeemable in whole or in part at the option of the Company upon thirty days' notice on any interest payment date at 102% up to and including January 2, 1954, at 101½% thereafter up to and including January 2, 1959, and at 101% thereafter prior to maturity, plus accrued interest in each case. On January 2nd of each year from 1950 to 1963 inclusive, the Company will pay to the Trustee $50,000 either in cash or in bonds at their par value, as sinking fund for the present issue.

Trustee: General Trust of Canada

In the opinion of Counsel, these bonds will be investments, in which pursuant to the Canadian and British Insurance Companies' Act, 1932 (Dominion), as amended, Companies registered under said Act may invest their funds.

PRICE: 100 and accrued interest

Delivery of definitive bonds is expected towards the end of January, 1949.
We offer these bonds if, as and when issued and delivered to us and subject to the approval of our Counsel.

RENÉ-T. LECLERC
INCORPORATED

(Established 1901)

240 St. James Street, Montreal

While not guaranteed by us, the information contained herein is believed to be reliable.

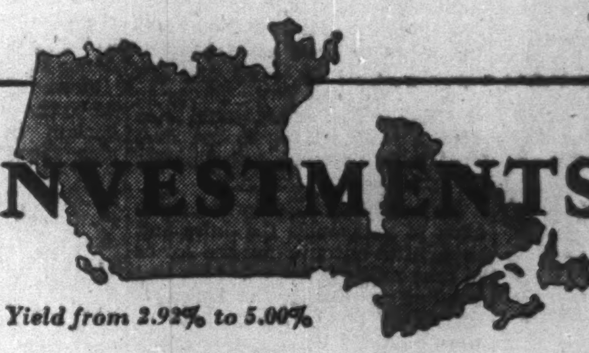
Government and Corporation Securities

Enquiries Invited

A. E. Ames & Co.
Limited

Business Established 1889

TORONTO MONTREAL WINNIPEG VANCOUVER
VICTORIA NEW YORK LONDON, ENG.



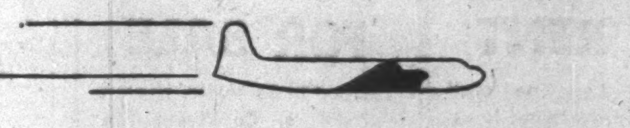
INVESTMENTS

To Yield from 2.92% to 5.00%

WE OFFER AS PRINCIPALS:

	Rate	Maturity	Approx. Yield
Dominion of Canada	3%	1966	2.92%
Canadian National Railway	3%	1966	2.96%
Ontario Hydro-Electric Power Comm.	3%	1965	3.04%
Province of New Brunswick	3½%	1965	3.34%
Shawinigan Water & Power Co.	3½%	1973	3.53%
Canada Steamship Lines	4%	1966	4.05%
Dominion Dairies Ltd.	4%	1966	4.37%
Northern Quebec Power Co.	4½%	1967	4.50%
Odeon Limited	4¼%	1963	4.50%
Columbia Cellulose Co.	5%	1968	5.00%

NESBITT, THOMSON & COMPANY
LIMITED
38 King St. West, Toronto, Ont.
Telephone Elgin 6146



The Canadair Four . . . was chosen by British Overseas Airways Corporation for its proven ability to operate at a profit. This Empire Aircraft offers the highest performance at the lowest cost of any four-engined aircraft in the world today. British powered and Canadian built, a fleet of Canadair Fours will soon be flying B.O.A.C. world air routes.

Canadair Limited
MONTREAL, CANADA

J. J. WINSBY

The Bank of Toronto announces that Mr. J. J. Winsby has been appointed Superintendent of Montreal Branches. He retains his position as Manager of the Main Branch.

MOVING PACKING STORING SHIPPING

M. RAWLINSON LIMITED
610 Yonge St. - Toronto
ESTABLISHED 1885

LINGMAN LAKE GOLD MINING CO. advises that Wedlake Interests, Toronto, has underwritten 50,000 shares at 50 cents, payable within 10 days and optioned 940,000 shares in eight blocks at prices ranging from 50 cents to $1.50 a share. Upon issue of first block of 50,000 shares issued capital will be 1,550,000 shares.

LONDON CALLING—*By Adelphi*

Many Socialists 'On Fence' on Palestine Attlee Loses Ground, Won't Risk Election

LONDON — The English have always regarded bull fighting as a degrading spectacle while maintaining that hunting is a clean sport, enjoyed by everyone including the fox. However, they managed to go back on their principles last week, when they staged a real political bull fight at Westminster.

Churchill was the matador and was given a great cheer as he advanced into the arena and threw a preliminary dart or two into the carcass of glowering Ernie Bevin. Ever since Bevin was appointed to the Foreign Office, Churchill and the Tories have given him unswerving support. Again and again his own extremists have turned against him but the Tories were always there, ready to defend him against calumny.

But the bunglings in Palestine have proved too much; Churchill's patience was exhausted. In ringing tones he declared that when the war ended we had the goodwill of both the Jews and the Arabs. We had large forces in the Middle East and it would have been a simple thing to use firm but kindly pressure on both sides to bring about agreement.

Instead of that Bevin had managed to antagonize the Jews and then, after encouraging the Arabs to take military action which had resulted in disaster, he had succeeded in antagonizing them as well.

"In this very Chamber, you publicly staked your political reputation on a peaceful settlement in Palestine," roared Churchill.

Bevin struggled to his feet and shouted: "Didn't you stake your political reputation when you gave military aid to the White Russians in 1919?"

The Socialists cheered very hard at that but Churchill waited quietly until the tumult and the shouting died. Then he rasped: "I believe the time will come when it will be proved that I was right in trying to strangle Bolshevism at its birth."

Whereupon the Tories cheered very loud and long. In fact it was a noisy day in the House of Commons. But it was not only the matador who went after the bull. There were picadors on the Socialist side who stabbed the bull between the shoulders. More and more it became evident that the Government was going to face a difficult situation when the time came for the division.

• • •

Many Laborites Refrain from Voting

Mr. Attlee made the winding up speech and tried to spread his mantle over the bruised and bleeding Bevin. "This is not his policy," he said, "but the Government's policy. Why act as if he is alone responsible? He talks with us and advises us, of course; but in the end it is a policy which emanates from the Cabinet and not one minister."

Then he did a bold thing. Realizing that there might be a revolt on the part of some Government supporters, he said: "In view of Mr. Churchill's attack I regard the vote, which is about to be taken, as a vote of confidence in the Government."

It was almost a complete parallel to the action of Neville Chamberlain in 1940. Chamberlain also faced a revolt within his own party and tried to quell it by declaring that he would regard the issue as one of confidence. If a Government supporter votes against his leader on such an issue, it means that he wants to see the Government defeated. Chamberlain's majority fell to 80 and he resigned the next day.

Attlee fared somewhat better. Only one Socialist actually went into the Conservative Lobby but so many abstained from voting that the normal majority of 180 fell to 90. Mr. Attlee might well have decided to resign and go to the country; but apparently he did not take the same view as Chamberlain did.

• • •

Debate on Bribery To Bring Next Storm

Everyone is wondering what will happen when the debate on the Bribery Tribunal report takes place. John Belcher has already resigned as a minister but is still an M.P. It is difficult to believe that he will be able to maintain the argument that conduct unworthy of a minister need not necessarily be unworthy of a private member. Some of the Tories want to insist upon his resignation, but they would be foolish to make a martyr out of him.

• • •

Sir Laurence Olivier is drawing the town and exhausting the critics' superlatives with his "School for Scandal" and "Richard III." Defying tradition, he plays Sir Peter Teazle as a man not older than middle-aged, and brings poignancy to a love story which is usually not more than a brawl between an old man and his young wife.

In "Richard III" he wears a false nose which would have driven Cyrano de Bergerac mad with jealousy. The critics are saying that he is the greatest actor of the century. However, they do not hesitate to say that his company is weak in many cases.

Your old friend Donald Wolfit has decided to take Shakespeare to the people. He has acquired the famous Bedford Theatre in Camden Town, a crowded, dingy part of London and he will play the works of the Bard at prices ranging from sixpence to six shillings.

• • •

Authors, Composers Unfairly Taxed—Shaw

Bernard Shaw has livened the town with a long letter in the Times attacking the unfair taxation of authors and composers. As long as an author starves and has nothing but rejection slips there is nothing to fear from the Chancellor; but if he clicks and has one big success, the Chancellor goes after him with both his greedy hands. The poor fellow can carry nothing to reserve, nothing for replacement of plant, nothing for holidays, nothing for accident or sickness. Not only that; international copyright of his play, novel or opera belong to his estate for only 40 years after his death. Whatever else a man owns, Shaw points out, belongs to his heirs and successors in perpetuity. Not, however, the artistic production of his brain.

Shaw is not attacking the Socialist Government. The despoiling of authors and composers by their rulers has gone on since the first artist crawled from his cave and noted the beauty of the sunset. One trouble is that the middle class is not numerous enough to be electorally troublesome; and it is from the middle class that the professional man comes.

• • •

Churchill Looks Good For Another 10 Years

Anthony Eden will have been among you by the time this appears. He is a man of much charm and great character but he is a far better speaker in the Commons than on the public platform. He is the heir apparent to the Conservative throne but the 74-year old Churchill looks good for another 10 years.

• • •

National Theatre On Unpromising Site

In the meantime, the Government is going to give £1 million toward establishing a national theatre on the south bank of the Thames where Shakespeare's Globe Theatre used to be. Unlike Paris, London has never made any attempt to beautify or dignify the south bank. Now the London County Council is determined to bring tourists as well as Londoners across the River. But will they go?

Londoners have quaint caprices about such things. The Savoy has been a great success for many years; yet experts say that if it were 200 yards farther east, it would be a failure. As a matter of fact the famous and long-abandoned Gaiety Theatre is only 300 yards east of the Savoy but it is regarded as if it were in the Provinces.

When Londoners go to a play they want the theatre to be crushed with other theatres into Shaftesbury Ave. so that there is the maximum of discomfort in getting there and getting away. The same thing applies to restaurants. The true Londoner would rather wait an hour for a table in a crowded restaurant, than go to one where some of the tables are empty.

Sir Stafford Cripps says we are doing well. He also told Parliament that much of our recovery is due to the generosity of Canada and the United States, a statement which was received with loud cheers. In fact some of the M.P.'s must have sore throats after the amount of cheering this week.

• • •

January is coming to an end without once dropping its pretence of being June. We play golf with only a light pullover as a concession to the calendar, and many men have discarded overcoats altogether. Not a snowflake has been seen.

• • •

CONSOLIDATED DUQUESNE MINING CO. advises that Elaine Agency, Toronto, has underwritten 50,000 shares at 50 cents, payable within 15 days and optioned 950,000 shares at 50 cents to $1.50. Upon issue of the first block of underwritten stock issued capital will be 2,222,762 shares.

ADVERTISING

Account Appointments, Plans and News of Personnel in the Canadian Advertising World

McKim Advertising Ltd. (Montreal) directs concentrated program of advertising, public relations, booklets, etc. to launch Montreal Young Women's Christian Association Building Campaign for $1.5 millions. Ads in half page and 400-line sizes are being inserted in Montreal papers, supported by one-minute radio spots. Special broadcasts supplement the radio coverage for the two-week campaign, ending Feb. 14. Mats for tie-in advertising are distributed to local firms. Supplementary media include 100 donated billboards, car cards, displays, etc. Folders have been prepared for general names and special names lists; specially-designed canvassers' kit distributed to workers. Recurring slogan: "Miss YWCA is Counting on You."

• • •

O'Brien Advertising Ltd. (Vancouver) reports Standard Oil of B. C. Ltd's institutional advertising has been extended to include case histories of independent dealers who handle Standard products. In first one, Al Best of Millardville says "I started my own service station on little more than the smell of a gasoline rag. . . . Where else in Canada or the United States could I do that today?" Alternating with freedom-of-opportunity series, previously mentioned, new ads will run in provincial weeklies and metropolitan dailies, as well as selected trade and service magazines. One feature of Bob Bowman's nightly newscast on CKMO is President Ralph D. Baker's presentation of "Chevron Award" for unusual or newsworthy accomplishment by any B. C. citizen, such as Vancouver newsvendor who collected, single-handed, more than $1,500 for Crippled Children's "March of Dimes" fund.

• • •

Advertising and Sales Bureau of the Vancouver Board of Trade has elected Alex Forst its chairman; he's managing director of Forst's Ltd. which operates several home furnishings stores in the Vancouver area. J. W. Toogood, national advertising manager of The Vancouver Sun, is vice-chairman.

• • •

Ronalds Advertising Agency (Toronto) is handling announcement ads for "New Colorinse" which, because of an ingredient called Lurium, promises added highlighting color for the hair. Insertions, 600 lines in size, are scheduled this week for a list of Ontario dailies, and next week in week end papers. Follow-up ads, 200 and 140 lines, will appear at two to three-week intervals until the middle of August, supplemented by monthly insertions in True Confessions. Nestle-LeMur Co. (Canada), which sells the product, is also introducing a new economy six-rinse size package in a counter display as a part of a special bonus deal to the trade.

• • •

Cockfield, Brown & Co. appoints Gilles Duhamel and Maurice Bedard to its radio department in Montreal. During war, Mr. Duhamel organized the French section of RCAF public relations; was made honorary member of French Air Force. Later joined CBC special events staff; was news editor of CKVL, Verdun; was more recently with National Breweries Ltd.'s public relations department. Mr. Bedard, formerly of Winnipeg where he was connected with CBC Western Farm broadcast, came East in 1945, and joined CJAD. In 1947, he began free-lancing, and launched the program "Montreal Merry-Go-Round."

• • •

Kenyon and Eckhardt Ltd. reports on two promotions of the Kellogg Co. of Canada. In every 16-oz. package of All-Bran cereal is enclosed a red plastic measuring spoon, which has the distinctive feature that all normal measurements are included in one reversible spoon. On Corn Flakes, the promotion is a premium offer of a "Super Jet Plane Ring" for two box tops and 20c. Three half-page, four-color ads in the comic sections of week-end papers, supplemented by ads in 41 additional newspapers and farm papers, will carry the premium promotion. Full pack panel of every Kellogg's Corn Flakes box is devoted to a description of the premium; and store-window posters are supplied for point-of-sale display purposes.

• • •

Ronalds Advertising Agency (Montreal) handled Lasalle Coke Co's ad for Eastern Ontario and Quebec newspapers on the almost-forgotten theme "again in full supply." Ad is 60 lines by 3 cols., with copy stating: "Due to increased production . . ."

COMPANY REPORTS

IMPERIAL LIFE ASSURANCE CO.—in its 1948 report shows a record production of paid-for business, of almost $72.3 millions — an increase of about $3 millions over 1947, the previous high. The increase was spread over the entire field of operations but was most marked in the United Kingdom. The termination rate was reported by President John G. Parker as low. Business in force increased more than $39.4 millions, to $526 millions. This total is divided: ordinary insurance, $469.3 millions; deferred annuities or pension bonds $35.3 millions; group insurance $22.1 millions. Over 39% of the new business in Canada was written on the lives of old policyholders.

Said Mr. Parker in his address to the annual meeting: "At the beginning of the year your company adopted a rate of exchange of $4 per pound for the conversion of sterling into dollars. This naturally affected all accounts of the company. The amount of new business transacted in the sterling countries, although showing a considerable increase in pounds, was less than the previous year when converted into dollars. The assets, when given in dollars, were decreased by over $2.5 millions, and the liabilities were decreased by almost a similar amount. The existing insurance was decreased, when converted, by approximately $9 millions; otherwise our increase in insurance in force would have been $48 millions. In the adoption of the new rate of exchange, our surplus position in 1948 was not affected, as there had been created in the year 1947 a special reserve to meet this contingency."

Accordingly, figures in the 1948 report are not strictly comparable with those for 1947.

The mortality rate experienced by the company during the year is reported favorable. Rate of interest earned on invested assets in 1948 was 3.50%, slightly above the figure for the previous year. Comparisons of important figures follow.

	1948 $	1947 $
Insurance in force	526,914,486	486,279,211
New insurance ..	72,304,455	69,553,810
Total receipts	24,613,292	24,699,377
Premiums	16,267,969	15,611,585
Int. divids	4,951,288	4,748,586
Policy payments..	8,586,737	8,057,266
Inc. in P'holders funds	5,532,773	8,891,321
Sh. holders divids	150,000	150,000
Liabs to P'holders inc. pol. reserves	142,543,600	136,582,117
Liab to sh.'holders	1,297,050	1,281,217
Other liabs. taxes	683,032	513,715
Total Assets	152,861,449	146,559,352
Surplus Pol. funds	3,570,000	3,390,000
Conting. reserves	1,000,000	1,000,000
Free Surplus	3,767,766	3,792,303
Int. earned	3.50%	3.49%

CROWN LIFE INSURANCE CO. established new records in new insurance written, insurance in force, total assets and receipts in 1948 as compared with 1947. The company has almost doubled in size in the last five years.

Like a number of other companies, the Crown Life at the end of the year converted all year-end items in sterling and related currencies into Canadian dollars at a rate of £1 equals $4 instead of at the rate of $4.65 as was done in 1947. Accordingly all comparisons between figures of the two years must be read with this change in mind.

Thus insurance in force on Dec. 31 totaling over $614 millions was $83 millions higher at the former rate of exchange, $72.5 millions higher at the new. Similarly the increase in assets was $13.5 millions before the change and $10.5 millions after.

The average size of the company's policies has increased rapidly since the end of the war. The average of all policies issued in 1948 was $3,623 as compared with an average of $2,446 for all policies in force at Dec. 31, 1945. Thus the average size of policies now being issued is about 50% larger than of those in force three years ago.

The company has consistently had a favorable mortality rate for many years past and this continued in 1948 when the rate was the second lowest in the company's history. Investments in mortgages increased substantially. The average rate of interest earned on ledger assets was 4.01% on Canadian assets 3.72% on the assets as a whole.

	1948 $	1947 $
Insurance in force	614,384,607	541,872,892
New insurance ..	121,624,224	114,923,282
Total receipts	26,704,181	24,475,975
Premiums	20,725,411	18,638,736
Int. divds. rents	3,647,922	3,707,159
Policy payments..	7,963,070	7,032,224
Taxes, expenses..	6,100,666	5,883,858
Sh. divids	58,411	55,688
Liabs to P'holders incl. actual res'ves	102,862,042	93,545,317
Taxes, etc.	1,010,966	952,914
Sh' holders' funds	566,910	455,501
Conting. reserves	1,500,000	1,500,000
Other reserves ..	2,000,000	1,600,000
Total Assets	112,512,005	102,000,411
Free Surplus	4,572,087	3,946,678
Interest earned ..	3.72%	3.77%

Note:—All year-end items in Sterling and related currencies converted to Canadian dollars at £1 equals $4 instead of $4.65 as formerly.

A call was made during the year on all shares of the company not paid up at least 60% of par. The call was met in full and the capital stock paid in cash, increased by $54,475 to $332,915.

CONTINENTAL LIFE INSURANCE CO. at the end of 1948 had total insurance in force amounting to $95.5 millions, an increase of $7.8 millions, or 9%. New insurance written during the year was $14.4 millions, ($15.5 millions in 1947).

Premiums collected in cash showed an increase, amounting to $2,475,593. Income from interest, dividends and rents was also higher at $861,491.

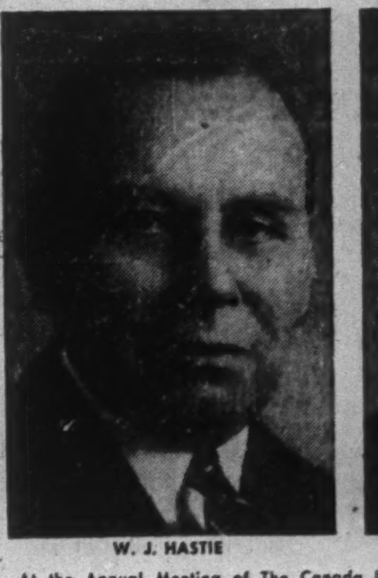
Payments to policyholders and beneficiaries of policyholders who died were over $1 million. Since organization, the total sum paid to the company's policyholders has been $20.8 millions, including $6.1 millions to beneficiaries and other dependents, and $14.7 millions to living policyholders, N. J. Lander, president and managing director stated at the annual meeting. The company continued to experience a favorable mortality rate. Total assets increased $1.5 millions to $18.9 millions on Dec. 31. During the year the rate of interest earned on invested assets was 3.778% slightly above the 3.756% shown in the previous year.

Important items in the statement with comparisons follow.

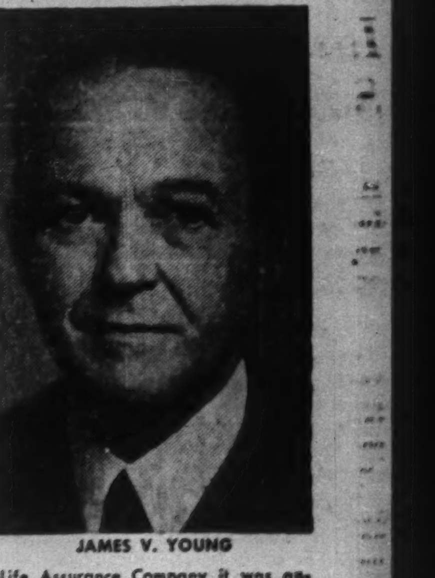
	1948 $	1947 $
Insurance in force	95,504,782	87,624,261
New insurance ..	14,477,613	15,599,198
Total receipts ..	3,561,581	3,297,592
Premiums	2,475,594	2,362,353
Int. divids	861,491	742,378
Policy payments .	1,082,038	1,094,346
Expenses, taxes .	887,209	865,582
Sh.'holders divids	20,000	17,000
Other payts	64,582	40,000
Inc. in ledger ass.	1,500,205	1,276,083
Assets wr. down .	7,546	4,292
Liabs to P'holders inc. actuarial res.	17,579,659	16,260,758
Liabs. to S'holders	222,623	221,517
Other liabs.	395,227	226,298
Sp. reserves	275,000	225,000
Total assets	18,974,977	17,387,806
Surplus	502,437	454,233
Int. earned	3.778%	3.756%

HOSCO GOLD MINES has received payment for Jan. 15 installment of 100,000 shares at 15 cents a share, bringing issued capital to 3.6 million shares.

CANADA LIFE DIRECTORS



W. J. HASTIE



JAMES V. YOUNG

At the Annual Meeting of The Canada Life Assurance Company it was announced that W. J. Hastie and James V. Young have been elected members of the Company's Board of Directors. Mr. Hastie is President of The Toronto Savings and Loan Company and a Director of The Bank of Nova Scotia. Mr. Young is Vice-President and General Manager of the Hamilton Cotton Company and Vice-President and Managing Director of Cosmos Imperial Mills, Limited, Hamilton, Ontario.

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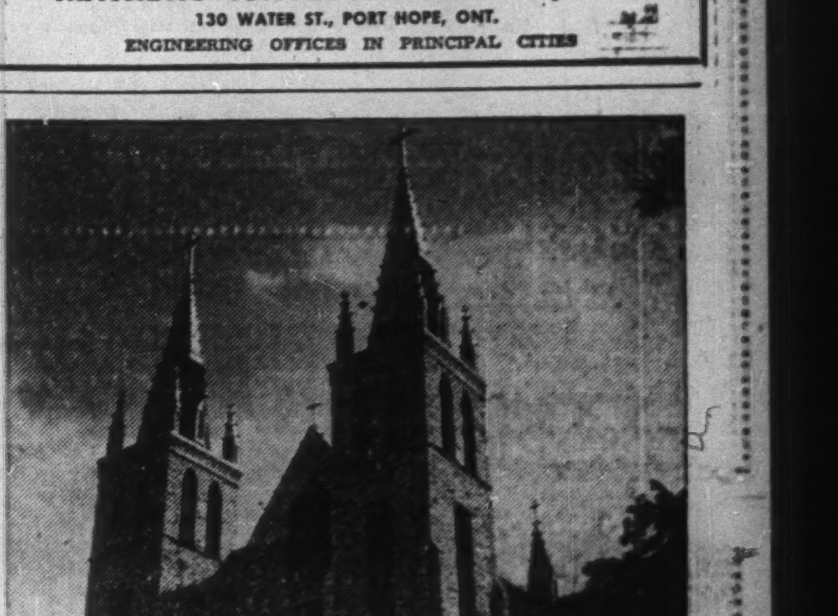

The Martyrs' Shrine in Midland
Photo courtesy Ont. Dept. of Travel and Publicity

Historically Famous HURONIA

Three hundred years ago, an important outpost of Christian culture in the new world was wiped out when the savage Iroquois massacred the French Missionaries of Fort St. Marie. Today Huronia, as this part of Ontario is called, is visited by more people every year, both for its historic interest and because the 30,000 Islands on the east shore of Georgian Bay are as lovely a summer playground as any in the world. Whatever you look for in a vacation you will find there, with historical sites and interest thrown in. The famous 30,000 Islands cruise by lake steamer is a pleasant and relaxing way of seeing them. It leaves from Midland, whose Chamber of Commerce can give you full information on the whole area. You can drive to Midland in a day from Windsor or the Quebec border (Highways 2, 11 and 12), and in correspondingly less time from other points. There is good rail service from Toronto.

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LET'S MAKE THEM WANT TO COME BACK!

How Canadian Companies Financed Expansion

Investors in 665 Firms in '47 Supplied Over Half Funds

How do Canadian companies finance their expansion? How much is paid out in dividends, and how much is retained for future use? The Financial Post's investment editor here analyzes the statistical report of the Bank of Canada for 1947 on 665 Canadian companies.

By JAMES H. JOYCE

Canadian businessmen and investors, assessing earnings prospects for 1949, now have before them the picture for 1947 for 665 Canadian companies. It is issued by the Bank of Canada.

These 665 firms show, for the year 1947, a net investment in new plant property and equipment of $403 millions and a net increase in their investment in inventories of $301 millions—a total for these two items of $704 millions. This followed a net investment of $275 millions in new plant property and equipment and of $148 millions in inventories—a total of $423 millions—made in 1946.

To meet 1947 requirements for expansion and continuing business, these firms:

(1) increased funded debt by $151 millions or over 19% which is 6.7% higher than in 1939;

(2) retained 35.5% of net profit, after taxes, or $157 millions;

(3) Raised $55 millions by issuing preferred stock.

(4) Raised $48 millions by issuing common stock.

(5) Reduced their working capital, ex inventories, by $117 millions.

(6) Obtained $165 millions from depreciation charges.

In other words, investors provided $411 millions or 58.5% of the funds required by these firms to continue business operations and to expand either by a new investment, or by foregoing dividends.

Reflecting partly this new investment as well as the high level of business activity, net income available to stockholders of these 665 Canadian companies expressed in dollars was 34.3% higher than in 1946, 64.1% higher than in 1945, 57.8% higher than in 1939 and 55.7% higher than in 1937.

This was achieved through income and excess profits tax. Payments in 1947 were 17.9% above the 1946 figure (excluding refundable E.P.T.) and were over 4½ times the 1939 tax figure and 5.4 times the 1937 tax amount.

But only 64.5% of the net income available to stockholders was paid out in cash dividends to shareholders in 1947 as compared with 73% in 1946, 79.3% in 1939 and 76.1% in 1937. Thus, although the 1947 net income was at a new dollar peak for 11 years shown (1937-47), shareholders received in cash dividends a smaller percentage of total net income than in any of the other years.

Several important facts should be considered:

(1) The net profit is expressed in dollars at an inflated price level. The 1947 dollar was worth 9.6% less than the 1946 dollar and only about 66% of the 1939 dollar in terms of buying power.

(2) The need for additional inventory investment arose partly as a result of rising prices.

(3) The higher cost of replacing capital assets required a greater capital investment for the same physical result since replacement costs in most cases are far greater than when existing facilities were installed.

(4) Depreciation charges against earnings, under the Income Tax Act must be made on the original cost of the facilities.

(5) The added risk of doing business with prices rising and in many cases with a lower margin of profit requires the conservation of cash. (Cash held by the 665 companies was 6.7% higher in 1947 than in 1946.)

(6) Some firms were not earning an adequate return on their capital investment in the prewar years.

The "Profit Statistics: Summary Statement is reproduced in the accompanying table.

A study of it and of the consolidated year and balance sheet figures shows:

(1) Working capital, including inventories, increased 12.8% in 1947, 84.6% since 1939 and has doubled since 1937. (Actual figures $1,680 millions in 1947, $1,489 millions in 1946, $905 millions in 1939 and $840 millions in 1937.)

(2) Funded debt increased 19.1% in 1947 to $979 millions and is 23.2% greater than its low of $795 millions at the end of 1944 and is 6.1% greater than its 1929 level of $918 millions.

(3) Preferred stock outstanding ($470 millions) increased 11.4% in 1947 and is now only 2.7% less than in 1939 ($483 millions).

(4) Common stock outstanding ($1,596 millions) is up 3.6% in 1947 and is 12.2% greater than in 1939 ($1,422 millions).

(5) Earned surplus and surplus reserves ($1,621 millions) were up 12.2% in 1947 and nearly double in the 1939 level ($821 millions).

(6) Of combined total of capital and surplus at the end of 1947, 21.4% was represented by funded debt and loans, 10.0% by preferred stocks and 68.6% by common stock and surplus, — a stronger capital position than in 1939 (25.9% 31.1% and 61.% respectively in 1939).

(7) Consolidated net operating profit in 1947 of $917 millions, before depreciation and income taxes, shows an increase of 23.6% from 1946 (742 millions) and is nearly double the 1939 level of $468 millions.

(8) Consolidated depreciation charge of $165 millions is up 12.2% from 1946 ($147 millions) but is 43.5% up from 1939 ($115 millions).

(9) Bond interest of $33 millions continued its downward trend, despite the increase in funded debt which would indicate it might reverse this trend in 1948. It was 25% less than in 1939 — which indicates a stronger position for Canadian industry to weather any business setbacks that might come.

All groups of companies did not follow the same general trend of profits over the 11-year period. In another accompanying table, The Financial Post shows the net income to stockholders for 1947 as a percentage of 1946, 1945, 1939 and 1937. This table shows interesting variations.

Shareholders of the seven rubber companies showed the biggest gain in 1947 over 1946 according to this survey. Their 1947 net income to stockholders of $9.7 millions was 2.1 times its 1946 level of $4.6 millions. It is over four times its 1939 level.

A close second to this group is the 19 wood products, including logging companies whose 1947 net income to stockholders of $5.4 millions was slightly over double its 1946 level of $2.6 millions. It was over 4.1 times its 1939 level.

The average increase in net income to shareholders in 1947 was 34.3%. Nine other groups did better than the average — the 27 primary textile companies, the 23 pulp and paper companies, the 26 paper products companies, the 49 iron and steel products companies, the 51 machinery companies, the 27 electrical machinery and equipment companies, the 18 other non-ferrous metals companies, the 11 paints and polishes companies and the 16 transportation and storage companies.

Four industrial groups show a drop in net income for 1947 as compared with 1946—the 38 gold mining companies, the 13 grain elevator companies, the 15 beverage companies and the three tobacco companies. The most striking drop is shown by the gold mining companies which for 1947 reflected mainly the squeeze of rising costs on a fixed selling price.

The 12 printing and publishing companies just managed to maintain their 1946 net income in 1947.

Biggest gain over the whole period is shown by the 23 pulp and paper companies. Their $947 net income is nearly 3½ times its 1945 level, is over seven times its 1939 level and over eight times its 1937 level. This industry is a good example of one in which the prewar earnings were inadequate in relation to the capital investment so that earnings should be averaged for it over a period of years.

Six groups show a 1947 net profit of three times or more the 1939 level, namely; pulp and paper, wood products, rubber, machinery, paper products and beverage.

Judging from interim reports available the 1948 net profit of most Canadian companies should be higher than in 1947 but probably the average will not show as great a percentage rise as in 1946. For 1949, good earnings are forecast for most business but in many lines 1949 is not expected to be as good as 1948.

Profit Statistics For 665 Companies*

(Millions of Dollars)

Fiscal Year Nearest to Calendar Year	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947
Net Operating Profit (before deprec.) (1)	452	391	468	590	720	794	755	689	675	742	917
Depreciation (2)	111	108	115	137	165	167	181	155	145	147	165
Invest. and Other Nonoper. Income (net)	49	47	43	39	42	36	38	39	41	44	46
Bond Interest (incl. Exch. and Amort. of Dis.)	46	45	44	44	44	43	42	40	38	36	33
Net Profit before Income and E. P. Tax Provision (1)	344	285	352	448	562	600	570	533	533	603	765
Income and E. P. Tax Provision (ex. Refundable Portion)	60	50	71	173	265	302	291	266	263	274	323
Net Income to Stockholders (1)	284	235	281	275	297	298	279	267	270	329	442
Forced Saving (Refundable Portion of Excess Profits Tax)	..	..	..	..	..	20	33	28	27	2	..
Net Income Paid Out in Cash Dividends	216	229	220	220	220	204	194	192	189	240	285
Undistributed Income (ex. Forced Saving) (1)	68	6	61	55	77	74	52	47	54	87	157

* The tabulation includes all those companies with 1941 assets over $200,000 for which consistent reports were available from 1935-1947. The accounts of certain companies which were available in some or all of these years were not comparable throughout the period and had to be excluded. Since many of the companies report on a consolidated basis, the number of individual companies included in the sample is actually a good deal larger than indicated. The material is, of course, subject to all the limitations and qualifications which apply to the basic accounting statements.

(1) For purposes of comparability, any special capital charges made against income account in company reports have been added back as well as "contingent" and "General" reserves. Special inventory reserves, whether shown by the company in operating expenses or as an adjustment to earned surplus, have been deducted in arriving at Net Operating Profit. For the Total 665 Companies the special inventory reserves amounted to .4, .2, 1.7, 5.7, 11.1, 5.9, 2.7, 4.2, -1.8, 2.8 and 14.9 in the years 1937-47 respectively.

(2) Includes deferred development and depletion provision where charged by the company. For the Total 665 Companies these amounted to 10.2, 9.9, 9.4, 10.0, 10.1, 9.6, 8.6, 8.5, 8.0 and 8.7 in the years 1937-47 respectively.

Net Income to Stockholders

	No. of Cos.	1947 over 1937 %	1947 over 1939 %	1947 over 1945 %	1947 over 1946 %
Grain mill products	7	271.4	181.0	146.2	122.6
Food	46	204.9	123.9	146.9	126.7
Beverage	15	279.2	300.0	163.4	96.6
Tobacco	3	97.1	95.8	100.0	97.1
Leather	14	242.9	212.5	154.5	113.3
Rubber	7	606.3	404.2	248.7	210.9
Primary textiles	27	231.9	138.0	143.4	143.4
Miscellaneous textiles	13	181.5	163.3	153.1	119.5
Clothing	28	372.7	273.3	178.3	113.9
Wood products	19	540.0	415.4	385.7	207.7
Pulp and paper	23	817.9	721.1	346.8	159.8
Paper products	26	272.7	300.0	250.0	139.5
Printing and publishing	12	135.7	135.7	126.7	100.0
Iron, steel and products	49	189.0	162.2	166.1	141.1
Machinery	51	247.2	355.2	179.7	190.7
Elec. mach. and equip.	27	181.9	214.8	174.7	187.1
Gold mining	38	22.3	20.8	62.5	83.3
Other nonferrous metals	18	119.5	148.1	177.9	148.5
Nonmetallic minerals (ex. fuels)	23	204.7	172.5	176.0	129.4
Coal and natural gas	13	90.0	78.3	100.0	102.9
Petroleum	11	91.5	111.0	131.7	117.4
Chemicals	30	154.5	126.4	148.5	122.4
Paints and polishes	11	277.8	208.3	166.7	147.1
Wholesale trade and service	64	250.0	214.3	166.7	113.9
Retail trade and service	32	311.5	270.0	163.6	106.6
Electric utilities	23	140.7	146.2	121.8	106.6
Telephones	6	151.9	144.4	114.7	113.6
Transportation and storage	16	375.0	200.0	111.1	200.0
Grain elevators	13	....	162.5	76.5	92.9
Total	665	155.7	157.8	164.1	134.3

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

HART BATTERY CO. net profit for the year ended Oct. 31, 1948, was up 57.8% In view of the substantial increase in costs due to the abnormally high price of lead, the company's principal raw material, directors have considered it advisable to augment the inventory reserve by $40,000, President John Irwin states. Working capital of $594,308 compared with $498,517 at end of previous fiscal year.

INCOME ACCOUNT

Years Ended Oct. 31:	1948	1947
Net earnings	$241,897	$170,392
Less: Deprec.	17,869	15,777
Pension fund	7,060	6,297
Income taxes	83,376	63,989
Net profit	133,082	84,329
Less: Dividends	27,500	27,500
Surplus for year	105,582	56,829
Earnings per Share and Dividend Record:		
Common	$2.06	$1.69
Paid	0.55	0.55

CONDENSED BALANCE SHEET

As at Oct. 31:	1948	1947
Cash	$42,406	$41,228
Accts., etc., rec.	262,360	223,515
Inventories	486,706	481,882
Total curr. assets	791,472	746,625
Deferred chgs.Δ	22,225	25,559
Fixed assets (cost)	631,384	600,089
Total assets	1,445,081	1,372,273
Bank loan	....	140,000
Accts., tax., etc., p.	197,164	108,108
Total curr. liab.	197,164	248,108
Depreciation res.	431,532	413,722
Conting. & invent. res.	60,000	20,000
Capital stock	308,600	308,600
Earned surplusΔ	‡447,785	381,843
ΔIncl. ref. EPT	17,407	20,694
ΔIncl. ref. EPT	20,653	20,694
‡After deducting trans. of $40,000 to inventory reserve.		
Working capital	594,308	498,517

DE HAVILAND AIRCRAFT OF CANADA net profit for the year ended Sept. 30, 1948, was $3,215 (against a loss of $616,104 the previous fiscal year). The company has now substantially completed the design and development of its two postwar types, the Chipmunk and the Beaver. The planned production of the Beaver per week was attained in September and will continue at this rate during the current year. There is a good backlog of orders for Beavers, including several repeat orders, and it is expected some export business will develop within the year, Vice-President P. C. Garratt states. The Ontario Government will be operating 27 aircraft of this type next season and has adopted it for the future.

Chipmunk sales were light, but a substantial order has been received from India, and production is well in hand. A substantial number of Mosquito aircraft were disassembled, crated and shipped to China, where de Havilland crews reassembled and test-flew them. A group of Harvard aircraft were dismantled, crated and shipped abroad, and a number were completely overhauled and shipped to the Netherlands. The repair division completed the overhaul and conversion of a fleet of Canso aircraft for the RCAF and commercial owners. Current orders in hand will assure continued activity in this division for the major part of 1949.

INCOME ACCOUNT

Years Ended Sept. 30:	1948	1947
Operating profit	$5,938	■$84,352
Add: Subsid. divd.	15,000	130,000
Less: Deprec.	17,723	18,349
Spec. costs†	......	753,403
Income tax	......	•110,000
Net profit	3,215	■616,104
Less: Cl. A divd.	......	25,000
Surplus for year	3,215	■641,104

■Loss or deficit.
•Recoverable amount of pr. year taxes.
†Design, development and initial excess production costs.

Earnings per Share and Dividend Record:		
ClassA	$0.10	d$19.25
Paid	....	1.00
Class B†	d6.08	d66.01

None paid.
†Before participation.

CONDENSED BALANCE SHEET

As at Sept. 30:	1948	1947
Cash	$5,986	$60,505
Accts./rec.	432,812	227,581
Custom. contracts	313,048	......
Inventories	1,279,463	1,272,163
Total curr. assets	2,031,309	1,560,249
Inv. & adv. re subs.	1,000	1,000
Misc. assets	20,601	19,338
Fixed assets*	448,939	443,487
Total assets	2,501,849	2,024,074
Bk. ln. & overdraft	312,643	74,531
Accts. & tax. pay.	515,727	283,529
Total curr. liabs.	828,370	358,060
Conting. res.	100,000	100,000
De Hav. (Eng.) loan	143,136	138,888
Capital stock	306,000	306,000
Surplus	1,124,341	1,121,126
*After depr. of	500,858	495,259
Working capital	1,202,939	1,202,189

MONTREAL CURB MARKET reports a bid of $8,000 for a seat, and one offered for sale at $8,900. Previous sale of a seat was at $9,000.

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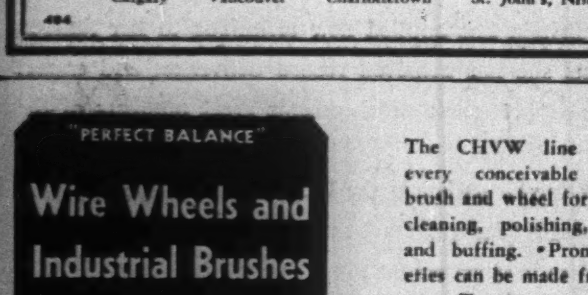

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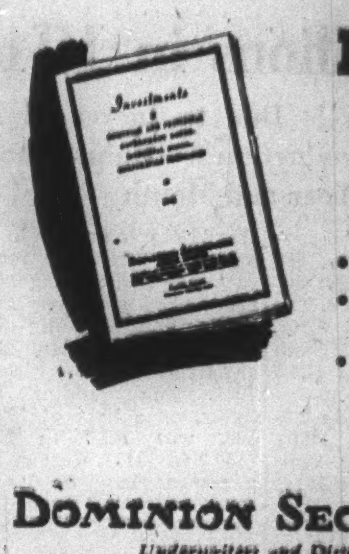

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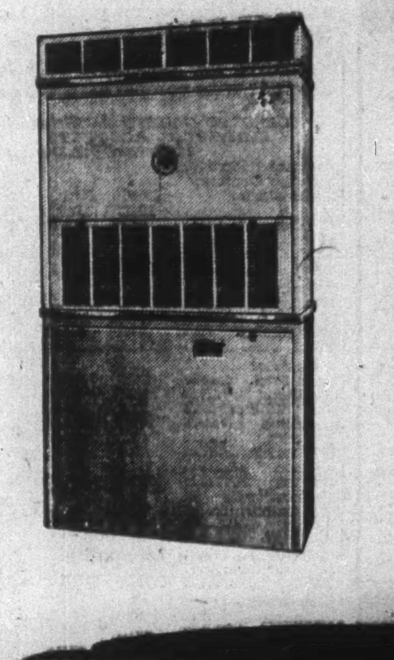

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Bank Debits Set Record At $80 Billions in 1948

New High Levels Due to Increased Prices, Wages and Production — Gains Shown in All Areas For Year and Month

Canadians in 1948 made payments by cheque exceeding $80 billions, a larger total than for any similar period on record. The increase over 1947 was 8.3%, cheque transactions or bank debits that year reaching $74.5 billions.

The total for all Canada has advanced steadily since 1938's total of about $31 billions. Thus the 1948 figures are about 161% over those for 1938.

Expansion in 1948 was general in each of the five economic areas. The increases by areas were: Maritimes 12.5%; Quebec 3.4%; Ontario 9.7%; Prairies 13.6% and British Columbia 7.7.% Of the 33 clearing house centres in Canada, 32 recorded advances over 1947. Lethbridge and Sudbury showed the greatest percentage increases at 29.9% and 20.9% respectively.

Factors in the expansion in 1948 were the high level of wholesale prices and wages, and a new record peacetime level of production.

For example, the index of wholesale prices in November was 12% greater than in the same month of 1947, the increase in raw materials having been even relatively greater. Producers' goods and building materials advanced 14% and 10% respectively over the high level of 1947. The building materials index, on a base of 1926 equals 100, was 205.7 in November (186.9 in 1947). Cost of living on a prewar base on Dec. 1 was 158.9 up 8.8% over December 1947. In general production, mining newsprint production, etc. indices were generally higher.

The December total for bank debits was 14.5% above December 1947. Here also advances were shown in all five economic areas, the greatest percentage increase being 19.5% in Ontario. Other increases were Maritimes 10.1%; Quebec 10.6%; Prairies 12.6% and British Columbia 9.8%. Greatest increases per cent were shown by Lethbridge, 30.2%; Moose Jaw and Toronto 28.1% each; Windsor 24.4%.

Turnover of demand or current deposits was more rapid than that of savings deposits, the rate of turnover of the former rising from 28.09 to 30.23 on an annual basis. Turnover of savings deposits in the same period rose from 1.23 to 1.28.

Figures for December and for the year with comparisons follow.

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS
Millions of $ in December

Prov. and Clearing House Centres:	Dec. 1948	Nov. 1948	Dec. 1947
Maritimes:			
Halifax	94.0	118.8	86.1
Moncton	34.2	33.7	30.0
Saint John	52.5	46.4	48.0
Total	180.7	198.3	164.1
Quebec:			
Montreal	1,997.9	2,040.1	1,786.9
Quebec	196.3	198.2	199.2
Sherbrooke	27.1	24.7	22.2
Total	2,221.3	2,263.0	2,008.4
Ontario:			
Brantford	34.6	35.0	29.8
Chatham	32.5	28.8	26.9
Fort William	21.1	20.5	20.2
Hamilton	188.3	186.3	162.6
Kingston	22.3	20.3	20.7
Kitchener	47.0	41.9	43.0
London	111.5	101.6	91.6
Ottawa	271.6	447.7	347.9
Peterborough	25.6	23.3	22.5
St. Catharines	33.2	30.6	30.2
Sarnia	31.3	28.1	25.9
Sudbury	23.5	22.3	19.0
Toronto	2,339.5	2,175.2	1,826.8
Windsor	131.9	114.3	106.1
Total	3,313.9	3,275.8	2,772.2
Prairies:			
Brandon	12.0	13.8	11.4
Calgary	197.8	231.8	165.6
Edmonton	163.5	157.7	145.0
Lethbridge	29.9	24.2	13.0
Medicine Hat	9.5	10.9	8.6
Moose Jaw	25.6	25.2	20.0
Prince Albert	11.5	12.7	10.8
Regina	117.1	144.2	107.5
Saskatoon	40.3	43.6	39.1
Winnipeg	794.6	960.8	724.0
Total	1,401.9	1,624.9	1,245.2
British Columbia:			
New W'minster	27.3	28.2	35.0
Vancouver	571.8	548.4	492.8
Victoria	83.2	83.4	93.9
Total	682.3	660.1	621.1
Total for Canada	7,800.1	8,022.0	6,811.1

CHEQUES CASHED AGAINST INDIVIDUAL ACCOUNTS
In 1948 compared with 1947

Prov. and Clearing House Centres	12 mos. 1948 $000	12 mos. 1947 '000	% of 1948-47
Maritimes			
Halifax	1,049.3	932.8	112.3
Moncton	353.6	310.4	113.9
Saint John	567.2	507.4	111.8
Total	1,970.1	1,750.6	112.5
Quebec			
Montreal	20,978.8	20,611.4	101.8
Quebec	2,433.3	2,077.8	117.1
Sherbrooke	277.7	230.8	120.3
Total	23,689.8	22,919.0	103.4
Ontario			
Brantford	381.1	321.2	118.7
Chatham	276.9	244.6	113.2
Fort William	225.3	209.6	107.5
Hamilton	1,952.1	1,735.1	112.5
Kingston	232.6	213.9	108.7
Kitchener	463.3	435.7	106.3
London	1,069.9	1,013.2	105.6
Ottawa	3,676.3	3,919.7	93.8
Peterborough	260.1	231.7	112.3
St. Catharines	348.3	307.9	113.1
Sarnia	299.4	267.2	112.0
Sudbury	231.9	191.8	120.9
Toronto	22,655.2	20,210.6	112.1
Windsor	1,308.9	1,131.6	115.7
Total	33,381.6	30,433.8	109.7
Prairies			
Brandon	133.7	114.4	116.9
Calgary	2,072.8	1,779.4	116.5
Edmonton	1,568.3	1,313.1	119.4
Lethbridge	219.4	168.9	129.9
Medicine Hat	100.5	98.2	102.4
Moose Jaw	231.9	207.7	111.7
Prince Albert	123.9	108.8	113.9
Regina	1,333.3	1,286.9	103.6
Saskatoon	442.6	394.9	112.1
Winnipeg	8,375.8	7,381.4	113.5
Total	14,602.3	12,853.2	113.6
British Columbia			
New Westminster	326.9	289.1	113.1
Vancouver	5,765.6	5,321.2	108.3
Victoria	951.3	929.6	102.3
Total	7,043.6	6,539.9	107.7
Grand total for Canada	80,687.4	74,498.1	108.3

BANK OF CANADA

	Jan. 26, 1949 $	Jan. 19, 1949 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ.	1,231,793,383	1,248,456,781
Deposits: Dom.	158,529,249	158,897,131
Chart. banks	532,036,930	545,988,596
Other	79,105,758	66,887,741
Total deposits	769,671,937	771,773,441
Liabs. payable in sterling, U.S.A. and for'n gold currencies:		
Deposits	19,636	269,636
All other liabs	24,873,242	26,000,347
Total liabs	2,041,408,565	2,061,550,752
Assets		
Sterling & for'n exchange	19,636	269,636
Other currenc.	97,080	106,729
Total	116,716	376,365
Subsid. coin	133,865	132,236
Investments:		
Dom. gov't sh.	1,187,658,393	1,205,155,593
Othe. Dom. gv't	806,297,722	806,359,780
Total invest.	1,993,956,115	2,011,515,373
Total share cap. at cost	25,000,000	25,000,000
Premises	2,559,034	2,605,033
All other assets	19,642,835	21,921,565
Total assets	2,041,408,565	2,061,550,572

Regina Street Railway Has New Revenue Peak

From Our Own Correspondent

REGINA — Regina's Street Railway Department carried 324,733 fewer passengers last year than in 1947, but set a new revenue record, due to a fare boost in force the last seven months of the year. Passengers totaled 13,752,816; revenue was up $78,593 over 1947, at $766,266. Fares, formerly five cents, are now four for 25 cents.

C. S. RILEY

president of Northern Trusts Co., has been elected a director of Montreal Trust Co.

COMPANY REPORTS

LONDON LIFE INSURANCE CO. set new high records in insurance written and total insurance in force in 1948. Insurance in force on Dec. 31, was almost $1.6 billions, representing the greatest increase ever shown by any company for business within the Dominion in any calendar year, President Archibald McPherson reported. New insurance written by the company during the year amounted to $226 millions, exclusive of annuities or business reinsured with other companies; also a new record.

Assets increased by $23 millions to $292.5 millions. Of this amount, $21 millions represents surplus funds for the added protection of policyholders.

Following many years of declining interest rates there was a slight upturn in the gross interest rate earned by the company on its invested assets which increased to 3.59% from 3.57% in 1947. R. H. Reid vice-president and managing-director stated that for the second year in succession, there are no securities in default, no mortgages with interest one year in arrears, and no foreclosed real estate on hand. On new investments the average interest rate obtained was almost 4.5%. This, Mr. Reid explained, was largely the result of placing over $19 millions in mortgages, a substantial proportion of this being for new housing.

John D. Buchanan, assistant general manager and chief actuary, reported that the 1948 mortality experience was even lower than in 1947.

Important items in the life section of the report with comparisons follow.

	1948 $000	1947
Insur. in force	1,595,110	1,429,583
New insurance	226,721	207,070
Total income	56,729	52,803
Premiums	37,435	34,535
Inv. income	9,412	8,629
Policy payments	22,551	19,805
Incr. in pol. res.	15,551	15,342
Sh'holders divds.	150	373
Liabs. to sh'holders inc. actuarial res.	258,120	237,210
Liabs. to sh'holders	911	843
Staff pension fund	9,254	8,315
Other liabs.	1,097	869
Total assets	292,,580	269,554
Special reserves	11,936	11,830
Surplus	11,261	10,487
Int. earned	3.59%	3.57%

CONFEDERATION LIFE ASSOCIATION reports new high levels in new insurance written, insurance in force and total assets in 1948. Insurance in force rose $105.3 millions, to $893.5 millions; new business was up $4 millions to $121 millions; assets up $13.7 millions to $231.4 millions.

Payments to policyholders and beneficiaries were over $15.9 millions, an increase of $615,000 over any previous year. Dividends were on the same scale as in 1947 and it is planned to maintain this scale during 1949, Vice-President and general manager C. D. Devlin told the annual meeting.

The group welfare department continued to expand, with sales increasing in number and amount, resulting in increases in payments to insured or beneficiaries for group life insurance, sickness, accident, hospitalization, and surgical benefits, also pension trusts and annuities.

Mortality in the ordinary branch continued at a favorable level, reflecting medical progress in lengthening the span of life.

The rate of interest earned on invested assets declined from 3.68% in 1947 to 3.61% in 1948. This was attributed to the maturing and refunding of many older investments, purchased originally at higher rates, and the fact that during the war years, all funds available were placed in Victory bonds at an average interest rate of 3% or less. Average rate earned on all new investments including policy loans was 4.10%.

Business in sterling has been revalued in 1948 at $4.40 to the pound. Last year a rate of $4.60 was used.

	1948 $000	1947
Insurance in force	893,544	788,145
New insurance	121,094	117,073
Total receipts	38,032	37,646
Prems. insce.	27,868	26,201
Prem. ann'y	2,454	4,054
Int. divds.	7,711	7,392
Policy payments	15,925	15,309
Expenses & taxes	8,105	7,184
Tr. to pol. res.	12,805	13,797
Earned surplus	3,241	3,559
Pol'holders divds.	2,044	2,203
Sh'holders divds.	60	60
Liabs. to pol'holders	207,689	195,165
Other liabs.	2,220	1,658
Special reserves	9,753	10,406
Liabs. to sh'holders	685	664
Total assets	231,354	217,637
Free surplus	11,007	9,743
Int. earned	3.61	3.68

Brazilian Loan Papers Signed Step Up Work

Agreements providing for a $75-million loan to Brazilian Traction Light & Power Co. from the International Bank for Reconstruction & Development were executed last week. This will add further impetus to the stepping up of Brazilian's construction program.

The loan is for 25 years at an interest rate of 3½%. In accordance with the Bank's articles of agreement, it will also charge a commission of 1% annually to be set aside in a special reserve fund so that the cost to Brazilian is 4½%. Amortization of principal will begin on July 1, 1953, and is calculated to retire the loan by maturity.

This loan, the second approved by the International Bank for reconstruction and development purposes in South America, will be used to finance the major part of the foreign currency content of an expansion program, estimated to cost about $182 millions, now being undertaken by the operating subsidiaries of Brazilian Traction in the districts served by them. These districts are already the most highly industrialized and populated part of Brazil.

The expansion loan provides for increases of more than 50% of the presently overloaded power-generating capacity in those areas, involving large-scale additions to transmission and distribution equipment and to water supply facilities for power purposes, President Henry Borden states. In addition, local telephone services will be increased by about 40% and long-distance traffic capacity will be expanded to meet the urgent need for these services. Of the $182 millions cost, which will be spread over four to five years, about $107 millions is being financed from the company's own resources. Substantial orders are expected to be placed in Canada.

As evidence of the indebtedness of the company, the Bank will receive collateral trust bonds of Brazilian Traction Light & Power Co. secured by the pledge of debentures of the company's principal operating subsidiaries. The collateral trust bonds will bear the guarantee of the United States of Brazil.

Bristles For Brushes Scarce Chinese Hoard Them as Cash

MONTREAL (Staff)—A civil war in China may mean fewer paint brushes for Canadians. That is the word from the recently opened Beaver Brush Co. here.

The best bristles for paint brushes come from Chinese pigs, particularly those of Tientsin. What with the war and a breakdown in communications, the bristles are not getting to the North American market.

Furthermore, it is said that pig bristles stand a fair chance of becoming a sort of unofficial currency in China. It is well known there that pig bristles will command a good price in the Canadian and U. S. market. Thus a pig owner, feels he possesses a sound currency, and is not disposed to part with either his pig or its bristles.

Bristles for brushes have already gone up 20% to 40% in price and are very scarce. While there are substitutes, such as South American bristles, hair and nylon, brush-makers and users prefer the Chinese variety for many types of brushes.

And as the brush people say, "it's a small world."

EAST SULLIVAN MINES advises that on Jan. 3, Noranda Mines purchased an additional $200,000 in 5% first mortgage 10-year sinking fund bonds and received a certificate for 5,000 shares. An additional $250,000 in bonds were purchased on Jan. 25 and a certificate granted for 6,250 shares. Issued capital now stands at 4,040,000 shares.

J. J. GIBBONS APPOINTMENT

R. A. Stopells, chairman of the board of J. J. Gibbons Limited, announces the appointment of E. T. Saunders as secretary-treasurer of the Company.

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Business Failures Set 13-Year Record

$11.7 Million Liabilities in 1948 — Trend by Groups

The postwar honeymoon is over; it's been over for some time, judging by the record of Canadian business failures in 1948. A Financial Post staff writer here analyzes the first report on last year's figures, shows the trend in some major lines in which credits and inventories are receiving closer scrutiny.

By CLAUDE TAYLOR

Despite a period of unparalleled prosperity and record-breaking purchasing power, Canadian business piled up liabilities of $11.7 millions in unsuccessful private enterprise in 1948, the worst year since prewar 1935.

The 493 establishments failing to survive the year exceeded the previous year's failure rate by some 62%, and the first postwar year 1946 by approximately 162%. The upward "mortality" pattern started to unfold in the final quarter of 1948 when failures jumped 51.4% over the previous quarter.

While Canada's failures are still far off early war year rates, the climb appears to be under way and steadily gaining momentum.

Here's a 10-year record of business failures, which illustrate consistent growth since war end.

Year	No.	Liab. $000
1948	493	11,755
1947	304	7,228
1946	130	4,003
1945	95	2,305
1944	96	2,119
1943	188	3,634
1942	609	7,344
1941	882	6,959
1940	1,158	9,578
1939	1,299	11,635

Regardless of oft-repeated warnings from top-flight business heads and constant cautionary attitude of credit authorities, more firms doing business are being forced from their fields by their creditors.

Authorities in close touch with day-to-day merchandise transactions tell The Financial Post that more and more businessmen will be "shaking hands" with bankruptcy courts and bailiffs in 1949 — unless corrective measures are soon adopted.

Remedies Suggested

What corrective measures are necessary? Here are some of the suggestions handed down by the men who seem to know:

1. A closer study of inventory and periodic stock-taking.
2. Liquidation of old and obsolete merchandise as soon as possible at whatever prices available.
3. Proper supervision of credit sales and sound accounting and pricing policies.
4. A "tickler" file on all doubtful credit risks.
5. A close tab on seasonal influences.
6. A study of the expense involved in carrying merchandise from season to season; insurance, handling costs and change in styles.
7. Be more selective in purchases; insist on privilege of buying broken quantities to avoid accumulation of slow-moving sizes.
8. Maintain a prompt paying record with suppliers.

Worst Quarter Since 1945

Failure statistics prepared by Dun & Bradstreet of Canada reveal that Canada suffered more business failures in the final quarter of 1948 than in any previous quarter since the close of the war. Greatest loss again appeared in the retail ranks where food, wearing apparel and automotive shops were hardest hit.

But running a close second were companies engaged in the manufacturing field, where by far the greatest percentage of failures occurred in organizations engaged in forest products. Unlike previous quarters of 1948, all divisions of the manufacturing field, segregated in Dun's statistics, suffered business closures. The lone exception was the fuel industry. The largest percentage growth — outside of forest products — came in the food field, a similar condition occurring at the retail level.

The wholesale trade also disclosed an important upward surge in failures when 23 firms closed in the final quarter as against three in the third quarter. Largest losses occurred among companies engaged in farm products, food, groceries, lumber, building, metals and hardware.

Here, tabulated, are failure records for divisions covered by D&B:

Division:	1948 No.	1948 Liab. $000	1947 No.	1947 Liab. $000
Manufacturing	158	6,734	126	3,815
Wholesale	62	1,395	42	1,225
Retail	198	2,278	84	882
Construction	48	899	36	941
Comm. serv.	27	449	16	365
Total	493	11,755	304	7,228

A Financial Post survey through creditmen channels found these conditions.

Fresh meats, processed foods, etc. — NSF cheques started flowing again about two weeks ago after a comparatively "rubberless" free Christmas period, suggesting an increase in sales resistance so far this year.

Repeated warnings from creditmen are now bearing fruit as merchants make headway in paring top-heavy inventories and releasing needed working capital.

One example of better management cited, where one store inventory slashed 50% in past few months, bringing stock-in-trade nearer to normal requirements.

Wholesalers and processors view the credit picture with some concern as NSF cheques are now appearing from unexpected quarters, such as older and well-established stores. Far greater control is now exercised as a wave of new failures is looked for this year.

Confectionery and bakery supplies — Manufacturers and wholesalers are finding it takes considerably more capital to operate these days, as some customers start the "old racket" of taking 60 and 90 days to pay 30-day accounts. Increase in NSF and postdated cheques in past two months—particularly from well-regarded accounts—is considered an important barometer of business trend.

Opinion voiced that "storm signals" are out for the small baker who is being squeezed between high cost of ingredients and refusal of the housewife to accept increased prices.

Prewar collection problems and the "threat" of business switch confronts the wholesaler now that pressure is applied. The bulk of accounts, however, are paying promptly.

Dry goods, etc.—One top manufacturer-wholesaler says 99% of stores sold are overstocked, despite repeated warnings to lighten up and free operating capital. Weakness of overbuying now reflecting through upsurge of postdated cheques and the plea for extra indulgence or partial payment on account.

No alarm is expressed, as merchants are now becoming selective on purchases, and salesmen are finding it a little more difficult to sell in complete lots. Failures are reported in the east and west.

Automotive Supplies — Some accounts have developed a slow paying record in recent months, but on the whole, little difficulty is being encountered from the trade. A tendency of smaller garages and service stations to buy above requirements has necessitated suppliers' carrying accounts for extra periods. Borderline cases are being watched.

Novelty lines and giftware — Limited funds and high-priced inventories are keeping gift shops hard pressed to meet bills promptly, and greater pressure has been applied in past six months to effect payment. No alarm is expressed as payments are usually reported slow in this field.

Toys, etc.—Flow of postdated cheques has increased some 10% from the small chain stores and jobbers in past six months. Some manufacturers are narrowing credit freedom and exerting pressure on questionable accounts.

Specialized furniture lines — Most accounts are reported 100%, although some stores are seeking extra relief this year on pre-Christmas purchases. Apparent today that some accounts bought excessively late last year and will need extra indulgence until merchandise sold off.

Building supplies—Lack of experience, job chaos and capital manipulation proved the death blow for a greater number of the small builders last year. Former prompt-paying accounts now encountering problems, and greater caution is exercised on a good percentage of credit sales.

Lumber products—Some of the smaller saw mills and wood working shops went under the "hammer" last year. The newer crop of lumber yards are now making closer scrutiny of credits to overcome mounting volume of past due accounts and NSF cheques.

HON. ALPHONSE RAYMOND

president of Alphonse Raymond Ltée, has been elected a director of Banque Canadienne Nationale.

Shawinigan Ends Its Power Cuts

MONTREAL (Staff) — All customers of Shawinigan Water & Power Co. will receive their full contract deliveries of power from this week on, due to improved water conditions, the company announces.

Industrial concerns most affected by the resumption of full-scale deliveries will be the large users, principally pulp and paper companies, including Consolidated Paper, Canadian International and St. Lawrence Paper Mills. Small industries and domestic consumers have been unaffected by the cut.

Record low water in the Shawinigan system's reservoirs last autumn made necessary a 10% reduction in power deliveries to large consumers, to ensure continuous supply up to the time of spring breakup.

Heavy rains late in the year and continuing mild weather have held the levels in the reservoirs to a point where there is now no danger of a water shortage preceding the spring thaw, the company states.

Dollar Famine Costing Canada Her Car Market

OTTAWA (Staff) — What is happening to Canada's $8 million-a-month market for automobiles and parts?

A few days ago, Ford of Canada announced layoffs due to falling export markets. The facts behind this announcement are clear for anyone who has been following the export figures in recent months; nearly all our export countries have dollar trouble. They can no longer afford to buy from us. They are either doing without new cars and trucks or buying them in sterling areas (U. K., France, etc.).

In brief, here is the summary report of the 45% slump in dollar value of Canada's car, truck and parts sales during the first 11 months of 1948.

Canadian Exports of Automobiles, Trucks and Parts

	11 mos. 1947 $	11 mos. 1948 $	% Chge. %
Trucks:			
Over one ton	27,192,000	9,921,000	—64
Over one ton	27,192,000	9,921,000	—61
Pass. Cars:			
Under $500	1,810,000	142,000	—92
$500 to $1,000	17,519,000	11,543,000	—34
Over $1,000	10,958,000	4,884,000	—55
Auto. parts	17,935,000	13,311,000	—26
Total exports	84,144,000	46,428,000	—45

Biggest slump dollarwise has been in the sale of trucks weighing more than a ton. We've skidded 64% in this division compared to the business we were doing in the first 11 months of 1947. Of course, 1947 was an abnormal year; but what is important is the gnawing fear that greater cuts lie ahead, with tighter restrictions on big markets like South Africa.

The Financial Post has made a detailed study of what has been happening in our chief export markets. Traditionally these have been Commonwealth markets. Here is the story on the basis of 11-month figures as reported by DBS:

Canadian Exports of Cars, etc., to Key Markets

	11 mos. 1947 $	11 mos. 1948 $
Australia:		
Trucks (1 ton or less)	1,963,000	1,375,000
Truck (over 1 ton)	3,438,000	2,552,000
Pass. Cars:		
Under $500	1,547,000	142,000
$500 to $1,000	4,620,000	6,509,000
Over $1,000	72,000	114,000
Auto. parts	1,329,000	1,059,000
Total	12,969,000	11,751,000
South Africa:		
Trucks (1 ton or less)	2,316,000	3,748,000
Trucks (over 1 ton)	2,042,000	975,000
Pass. Cars		
Under $500	......	......
$500 to $1,000	6,825,000	4,362,000
Over $1,000	198,000	830,000
Auto. parts	2,919,000	2,671,000
Total	15,300,000	11,586,000
New Zealand:		
Trucks (1 ton or less)	1,445,000	352,000
Trucks (over 1 ton)	2,293,000	313,000
Pass. Cars:		
Under $500	263,000	......
$500 to $1,000	3,771,000	556,000
Over $1,000	49,000	49,000
Auto. parts	1,074,000	864,000
Total	8,895,000	2,134,000
India:		
Trucks (1 ton or less)	274,000	375,000
Trucks (over 1 ton)	1,240,000	2,188,000
Pass. Cars:		
Under $500	......	......
$500 to $1,000	1,030,000	21,000
Over $1,000	2,719,000	526,000
Auto parts	1,777,000	1,484,000
Total	7,040,000	4,594,000
British Malaya:		
Trucks (1 ton or less)	132,000	344,000
Trucks (over 1 ton)	651,000	1,017,000
Pass. Cars:		
Over $1,000	1,391,000	1,072,000
Auto. parts	245,000	185,000
Total	2,419,000	1,618,000
Netherlands East Indies:		
Trucks (1 ton or less)	354,000	141,000
Trucks (over 1 ton)	806,000	1,279,000
Pass. Cars		
Over $1,000	1,747,000	397,000
Auto. parts	278,000	367,000
Total	3,185,000	2,184,000
British West Indies:		
Pass. cars over $1,000	1,117,000	277,000
Auto. parts	443,000	258,000
Total	1,560,000	535,000

It will be noted that even before dollar control was introduced in South Africa in November, that market was easing off, compared with 1947. Dollar sales from Canada to that market were down 25%, chiefly due to fewer heavy truck sales and lower shipments of passenger cars in the $500 to $1,000 class.

N. Z. Drop Sharpest

Sharpest decline has been in the New Zealand market, where sales this year have slumped to $2 millions compared with about $9 millions in the same period in 1947.

It is interesting that the seven countries or groups of countries listed above represented 60% of Canada's total overseas automotive markets in the first 11 months of 1947. In the same period of 1948 they represented 75% of the total.

Of interest also is the larger market in several of these areas for large trucks in the first 11 months of last year.

The slump in over-all truck sales is due to disappearance of a market for large Canadian trucks in Argentina. In 1947 (first 11 months) we sold $6.7 million of trucks to this country. This year the corresponding figure is $52,000. Similarly markets in both France ($2.9 millions) and Netherlands ($1.3 millions) for large trucks in 1947 have disappeared — presumably with the drying up of Canadian credits to these markets.

However, we still sell a good volume of parts to all three of these countries; to Argentina $801,000 in the first 11 months of last year; to France $287,000; Netherlands $550,000.

Calgary Stock Ex. Has Record Year

The Calgary Stock Exchange experienced the busiest year in its history during the past 12 months, Secretary-Treasurer R. W. Scrimgeour reports. The number of shares traded amounted to 39,445,989 as compared with 26,938,731 for 1947 and with 36,694,804 shares in 1937 the previous busiest year.

Value of shares traded in 1948 amounted to $9,472,743 ($5,083,536 in 1947.) The 1929 value of shares traded of $37,274,976 exceeds the 1948 value by four times, but because prices of oil stocks are not inflated to those existing in 1929, volume of shares traded in 1929 of 19,610,305 was less than half of the 1948 volume, Mr. Scrimgeour points out.

Heaviest traders during 1948 were New Ranchmen's with 3,178,000 shares; Princess 2,242,000 shares, Hargal 2,094,000 shares, Phillips 1,865,090 shares.

Central Leduc had the greatest percentage rise during the year from the low of 20 cents to the high of $1.76. Thirteen companies paid dividends during the year totaling $2,874,345 ($2,029,844.)

The dividend figure for 1948 is the highest on record, the previous high being in 1939 when the figure was $2,418,277.

Exploration for oil has been extremely active and will continue through 1949.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

BILTMORE HATS LTD. net profit for the year ended Nov. 30, 1948 was off substantially at $87,542 ($142,862 the previous year). The year witnessed a steady increase in costs, the annual report states. Sales declined again from the peak of 1946. Export sales to the sterling area were adversely affected by currency restrictions but other export areas showed an improvement. There was a quiet period in the domestic market during the middle of the year, but sales during the last quarter improved materially, resulting in the two factories operating to capacity, President John A. Fraser states.

Inventories show a reduced value; in part due to lesser quantities on hand, in part, to the lower market value of fur, the company's basic raw material.

INCOME ACCOUNT

Years Ended Nov. 30	1948	1947
Net earnings	$196,763	$300,192
Less: Depreciation	27,724	23,641
Debenture int.	2,600	2,800
Pension fund	28,197	15,889
Income tax res.	50,700	115,000
Net profit	87,542	142,862
Less: Cl. A divds.	40,000	40,000
Com. A divds.	24,000	16,000
Surplus for year	23,542	86,862
Earnings per Share and Dividend Record:		
Class A†	$2.19	$3.57
Paid	1.00	1.00
Common†	1.19	2.57
Paid	0.40+0.20	0.40
Cl. A com.‡	1.09	1.79

†Before (‡after) participation.

CONDENSED BALANCE SHEET

As at Nov. 30:	1948	1947
Cash	$41,875	$200
Accts. rec.	345,887	349,058
Inventories	484,736	609,360
Total curr. assets	872,498	958,618
Misc. assets▲	40,793	39,724
Fixed assets*	183,783	165,955
Total assets	1,097,074	1,164,297
Bank adv.	......	16,358
Accts. & tax. pay.	196,719	266,226
Total curr. liab.	196,719	282,584
Conting. res.	50,000	50,000
Debentures	100,000	100,000
Capital stock	85,475	85,475
Surplus▲	664,880	646,238
*After depr. of	352,274	328,235
▲Incl. ref. EPT	32,861	33,587
Working capital	675,779	676,034

GOLDHAWK PORCUPINE MINES advises that Trafalgar Syndicate, Toronto, has underwritten 100,000 shares at 7½ cents, payable $5,000 cash and $2,500 by Jan. 31 and optioned 778,495 shares at 10 to 50 cents. Upon issue of underwritten stock, issued capital will be 3,221,505 shares.

Those who wish to invest in a young and growing country, whether by active participation in establishing industries there or by purchase of securities, may obtain a free copy of this booklet from their bankers or direct from:—
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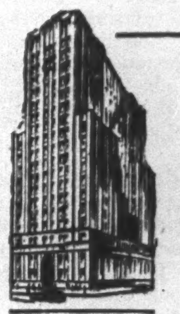
Towards Greater Security
Greater security for their families and themselves was the choice of the many people who became owners of North American Life policies last year. Their progress towards their financial objectives is represented by their purchases of 16,219 new policies totalling $82,562,272. First to confirm the wisdom of their choice would be those owners and beneficiaries of policies to whom the Company paid $6,578,348 in 1948.
The 68th Annual Report to policyowners shows that the Company is indeed "Solid as the Continent". Features of the report are:
Business in Force $512,248,468
Increased $57,893,298
Premiums Received . . . . . . $ 15,226,389
Increased . . . . $ 2,254,997
Total Assets $122,082,655
Increased . . . . $ 9,098,593
Liabilities to policyowners and others now amount to $115,998,112 and Special Reserves and Surplus Funds total $6,084,543.
NORTH AMERICAN LIFE
Head Office
Toronto, Canada



HEAD OFFICE TORONTO
CANADA PERMANENT MORTGAGE CORPORATION
(ESTABLISHED 1855)
Reports Substantial Growth
New high peaks reached in Assets, Deposits and Canadian Debentures Issued—Strong liquid position maintained
DURING the year ending December 31, 1948, assets of Canada Permanent reached the highest peak in the history of the Corporation, increasing from $77,779,688 to $82,996,350.
Deposits rose from $33,425,003 to $38,028,365 and Debentures payable in Canada increased to $30,495,749 from $29,911,844.
Mortgage investments increased from $41,826,003 to $49,510,143, while Real Estate held for sale was reduced to $6,176.
Net profits showed a moderate increase, being $816,362 as compared with $766,331 in 1947.
Assets as shown in the Annual Statement for 1948 are as follows:
Office Premises:—Toronto, Winnipeg, Vancouver, Saint John, Edmonton, Regina Halifax, Woodstock (Ont.), Brantford, Hamilton and Port Hope . . . $ 2,904,300.00
Real Estate held for Sale . . . 6,176.56
Mortgages and Agreements for Sale on Real Estate . . . 49,510,148.60
Loans on Bonds and Stocks . . . 571,663.41
Bonds of or guaranteed by the Dominion of Canada . . . 17,955,499.29
Bonds of or guaranteed by the Provinces of Canada . . . 2,296,470.68
Bonds of Canadian Municipalities . . . 564,450.96
Other Bonds and Debentures . . . 704,808.05
Stocks (including 19,700 shares of The Canada Permanent Trust Company at cost, $2,470,000) . . . 5,658,707.05
Cash in Chartered Banks and on hand . . . 2,830,131.31
$82,996,350.86
Copy of Report and Proceedings of Annual Meeting on Request.
Head Office: CANADA PERMANENT BUILDING, Toronto
BRANCH OFFICES:
Toronto, Hamilton, Woodstock, Brantford and Port Hope, Ont.; Winnipeg, Man.; Edmonton, Alta.; Regina, Sask.; Vancouver, B.C.; Saint John, N.B.; Halifax, N.S.; and Montreal, Que.

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We can supply tubular coin wrappers in all sizes . . . imprinted with your firm name if desired.

NEW! — PAKOIN

The new handy way to pack coins—sure—fast—simple—neat. Pakoin forms a perfect coin roll in 20 seconds. Only $1.95 each Pakoin (Tax Paid) or set of 3 sizes (dimes, nickels and pennies size) $5.50 (Tax Paid).

Write for samples and prices on Coin Wrappers and "Safety Seal" Envelopes

NATIONAL PAPER GOODS LIMITED

HAMILTON, ONTARIO

Halifax, Montreal, Toronto, Winnipeg, Vancouver

General Supply Company of Canada Limited

GUNITE ENCASED BUILDING

A Gunite exterior strengthens and beautifies this modern office and warehouse.

Gunite is a dense, pressure-packed mixture of cement, sand and water applied pneumatically.

To meet specific conditions, Gunite may be applied to any desired thickness.

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Civic Administration

From Typewriters to Trucks

Advertising schedules already placed in this new Maclean-Hunter monthly embrace a list of products ranging from typewriters to fire trucks. Here are some of the materials and types of equipment you will see advertised:

- Buses
- Business Machines
- Chemicals
- Dicsel Engines
- Disinfectants
- Electric Standards
- Fire Equipment
- Fire Hose
- Hospital Furnishings
- Light Standards
- Luminaries
- Motorcycles
- Radio Communications
- Refuse Collection Units
- Road Machinery
- Road Spreaders
- Sanitary Products
- School Buses
- School Furnishings
- Sewer Pipe
- Street Flushers
- Street Sweepers
- Street Lighting Systems
- Tires
- Traffic Control Systems
- Trucks

Endorsed by Advertisers

These excerpts from typical letters reflect the enthusiastic reception accorded CIVIC ADMINISTRATION by firms selling to the municipal market and by advertising agency executives.

A manufacturer of Snow Blowers, Trucks and Street Flushers: "Our management as well as our advertising agency are definitely sold on CIVIC ADMINISTRATION. We believe that Maclean-Hunter are to be congratulated for filling up this gap in our Canadian publications, and are convinced that your organization will carry on this important work in their usual efficient manner."

An advertising agency, on behalf of a client selling sewer pipe: "A great need exists for such a publication as CIVIC ADMINISTRATION in the municipal field to assist and inform elected and administrative authorities on the complex problems they have to meet every day. From an advertiser's point of view, CIVIC ADMINISTRATION will prove of great assistance in the selling of products and services to the municipalities."

To Reach Over 10,300 Officials

Total guaranteed circulation, commencing with the first issue in April, will be over 10,300 copies. The great basic strength of CIVIC ADMINISTRATION lies in the fact that it will reach BOTH the elected and administrative officials who decide and approve purchases. Write for further information, rate cards, space reservations, etc.

Forms for April Issue Close March 15

Civic Administration

481 University Avenue, Toronto 2, Ontario — Dominion Square Building, Montreal 2, Quebec

A MACLEAN-HUNTER PUBLICATION

Cure for Hoodlumism?

The Question: What suggestions for curbing outbreaks of young hoodlums, such as current in Toronto?

There are two main causes of juvenile delinquency and hoodlumism, in the opinion of informed Canadians answering a Financial Post questionnaire: (a) A breakdown in discipline and authority in the home and school; (b) The influence of "blood and thunder" motion pictures, radio programs and comic books. As solutions, the majority favored increased sport and recreational facilities, which would channel youthful energy into healthier and more constructive outlets. The majority opposed any policy of "coddling" youthful offenders; some urged severe sentences, including strappings for those guilty of violence. One or two suggested the need of army dicipline.

MICHAEL BARKWAY, BBC Canadian Representative Toronto

When Italian resistance in the late war was beginning to crumble, Mr. Churchill was asked what steps were being taken to hasten capitulation. He replied: "You may be sure we will appeal to the donkey with both the carrot and the stick." The same double treatment might be the right approach to this problem.

• • •

FRANK CHAPPLE, President, Chapple's Ltd., Fort William.

I feel that these young people have derived their inspiration from crime stories both on the radio and in the pulp magazines and comics, as well as the strong-arm methods used by the Canadian Seamen's Union last year. I would suggest that all publicity which these hoodlum gangs are being given, be stopped, and that the pulp literature be withdrawn from the newsstands. In our schools more emphasis should be placed on teaching young people respect for their elders, and the law-enforcing bodies of our country.

• • •

DONALD M. FLEMING, M.P. for Toronto-Eglinton.

No one panacea will meet the need. We must seek to channel gang instincts and energy of youth into constructive activities. Every citizen has a responsibility to strengthen, by his participation, the work of churches, Sunday schools, YMCA's, Boy Scouts, Big Brother movements and other organizations doing constructive work for youth. More community activities and sports facilities would be helpful, if given adequate supervision and the right type of leadership. Most of the present trouble is traceable to broken and irreligious homes. We need a revival of healthy Christian home influences and a greater sense of parental responsibility. Until enough people are prepared to tackle the problem at its source we shall need more police protection.

• • •

FREDERICK G. GARDINER, K.C., Forest Hill, Ont., former Warden of York County.

The cure for the hoodlum gangs is to push them around the same way they push others around. It is the only language they understand. They must be made to realize that they have an obligation to society to respect the rights and liberties of others. At a time when our country must demonstrate that it proposes to defend our liberties from attack, compulsory military training would teach these irresponsible individuals some discipline.

To provide special recreational facilities for this irresponsible group will put a premium on lawlessness. Adequate recreational facilities are now provided for those of the younger generation who will use them in common with others, and without interfering with their use by others. The only special attention this group should receive is to make them conform to the laws of the country and rules of society. Stiffer sentences for hoodlums who disturb the peace and injure others will provide a more salutary lesson than the newspaper publicity they are now receiving.

• • •

DR. V. E. GRAHAM, Dean of Agriculture, University of Saskatchewan, Saskatoon.

Make Canada one country instead of nine (soon 10) by equalizing educational and business opportunities by truly national policies; then there will be less tendency to build up unwieldy concentrations of people in large cities. Much of the problem stems from our unintelligent mania for size. Equalize the cost of doing business. Reduce Toronto's population to 75,000 people and they will have less trouble. The Chamber of Commerce should be enthusiastic about this solution. Defense requirements may force us to solve the problem in the manner suggested.

• • •

WM. M. GRAY, Industrial Commissioner, Chatham, Ont.

The dictionary defines "hoodlum" as a young rowdy and this resolves into rows, thence to brawl; the final ending being to quarrel outrageously. You see what I'm getting at. Each explanation leads on to the next. In the beginning there are no bad boys, but when, unfortunately, this stage is reached, trace it back. You'll find disinterest or thoughtless selfishness on the part of an older individual or society.

No sudden panacea can be conceived. Companionship of guiding age is the real solution. Unfortunately the big city so frequently denies this, and forces youth to seek an outlet for his energy in places far from fit; or to choose for his hero-worship, one most unworthy. There can be no solution, except in the hearts of men who will no longer ask the question "Who is my neighbor?" but instead will pose the question from the opposite pole and ask "Who am I neighbor to." But then, not being asked some great thing to do, we turn aside to chip the rock, instead of molding the clay.

JIM GREENBLAT, Editor, Swift Current Sun.

There are no hoodlums on the prairies, so it is difficult to give an opinion without experience. I would suggest the most practical tactics would be to interest groups of healthy, well-brought-up young Canadians to handle ill-brought-up young hoodlums. Let them band together into vigilante groups openly, and do a little patrolling. Hoodlum bands are basically yellow, and a few clean fists would probably accomplish more than police, who have to be careful for fear of some so-called public opinion, which would accuse them of "gestapo methods."

G. SYDNEY HALTER, Winnipeg, barrister, and Past President, Athletic Union of Canada.

Effective police action ought to suppress young hoodlum gang activities, but will not cure the underlying cause. Substitution of government action for governmental unproductive interest, which will provide, across the country, facilities to permit participation in amateur sport, would divert the vigor and energy of youth to proper channels.

• • •

FOSTER HEWITT, Maple Leaf Gardens, Toronto.

There's only one solution to frequent outbreaks of young hoodlums; and that is to see that they are fully occupied. Sport can play a very important part. If we had more rinks and playing fields in Toronto, there would be far less trouble with these gangs. A more liberal Sunday policy toward sports would also be helpful. I cannot see any harm in allowing youngsters to play games on Sunday on properly supervised fields and rinks. It is much better having them playing some organized sport, than hanging around street corners.

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DR. ALFRED E. LAVELL, Toronto, organizer of the work of the Ontario Board of Parole (1919-1932).

In the long view, better constructive measures in home, school, church and community. These are too late for the present emergency. The lawless, egotistic, morally subnormal few should be treated like the jackals they choose to be. When they choose to be men, and only then, they should be treated as co-operating members of society. Revenge is no good, nor are sentimentality and wishful thinking.

Penalties are repugnant to us, but can they safely be abolished? These thoughtless young fools do not fear our present prisons. They love publicity. I hate to suggest it but they do fear the strap or short, solitary experience on strict diet.

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NORMAN MATHEWS, barrister, Toronto.

In my opinion the most effective methods of curbing young hoodlum gangs in Toronto are:

1. Close surveillance by police of known hoodlum gangs, so that those engaged in outbreaks of violence could be apprehended speedily and sufficient evidence obtained to ensure conviction of all participants.

2. Stiff reformatory sentences for those convicted in Toronto, where recreational facilities are ample. I think the blame for these hoodlum activities can be attributed to inherent viciousness, failure of parental discipline and lack of Christian teaching. Apparently only stiff sentences and, where justified, the lash, will teach them respect for rights of others.

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LLOYD PERCIVAL, Director, CBC Sports College of the Air, Toronto.

My solution is to have compulsory athletic activities in public and high schools, and craftsmanship for those not physically fit. This should develop effective avenues for self-expression, ego and energy, and establish good habits patterns. Also, all teachers should be given training in youth psychology, enabling correct leadership and correction. Problem children in school should be given psychiatric examinations to test their need of special attention. They also need municipal recreation providing well-organized, red-blooded activities, under strong, efficient leadership. Ping pong, with leaders not inspiring rugged respect, is no good. There are few active athletes in any delinquency group. Athletes will not spoil their chances of playing in a Saturday game by getting in wrong.

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KELSO ROBERTS, barrister, Toronto.

The so-called hoodlum gangs, a war aftermath, are confined to large metropolitan areas where facilities for outdoor recreation and country roaming are at a premium. Give practical expression to ideals such as two to four weeks in summer camps for all children up to 16 years of age, more playgrounds and community centre projects, better home environment, and the benefits which will flow in many directions should help to direct all our youth along life's proper course. Youth must have its outlet for pent-up emotion and energies. A check on the spread of cheap crime, suggestive literature and programs would also be timely. The real solution is to give youth a fair chance.

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KEITH S. ROGERS, President, Island Radio Broadcasting Co., Charlottetown.

The young hoodlum problem can be solved by the provision of worth-while activities for gang members; organized sports, hobbies and handicrafts should be provided with adequate premises. Such establishments must be supervised by people of great understanding and leadership; under no circumstances should they be placed under government supervision, municipal or provincial.

This is an opportunity seldom offered for Toronto service clubs really to justify their existence.

Rotary, Kiwanis, Kinsmen, Gyro, and other clubs should unite in a joint continuing effort to clean up the situation. Boys such as those now involved are potentially Canada's most valuable citizens. Turn their overflowing energy and initiative from destructive to constructive channels and our country will benefit immensely. In my belief, no boy or girl is fundamentally bad; but many become victims of their environment.

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JOSEPH SEDGWICK, criminal lawyer, Toronto.

It may be that our educational system is at least partly at fault. I have never understood why those who are incapable of learning anything beyond the rudiments of education should be compelled to continue at school until they are 16, learning little but habits of idleness or worse, and costing the taxpayers a great deal. These young hoodlums, presently useless, might have had some value to themselves and society if they had been put to work at 14. Whipping might help them; rigorous and continued discipline most certainly would. There should be power given to conscript them following conviction, for three or four years of military service. Hard work and strict discipline, with not too much money to spend, might even yet make men of them.

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RALPH D. STEELE, Mayor, Chatham, Ont.

The energy and enthusiasm of youth cannot be repressed. They can be guided and directed. If the young people of the city are organized into neighborhood groups, with plenty of sports and worthwhile activities, they will never become hoodlums. This requires a reasonable amount of adult interest and leadership in community centre, YMCA, YWCA, Boy Scouts, Girl Guides, church and playground work. Once such projects are established and facilities are provided, a fair portion of the responsibility for discipline and leadership can be assumed by the young people themselves.

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CHARLES E. THOMPSON, Mayor, Vancouver.

In Vancouver we are building several community centres, each area served having first agreed on a plebiscite to pay additional taxes until the cost is fully met. Moneys raised by taxation in the district in which the project is located have been augmented by private subscriptions, and net proceeds from community activities. This method of establishing these recreational centres is now accepted in Vancouver and in time all parts of the city should be served by them. This should have a beneficial influence in curtailing juvenile delinquency.

CONSOLIDATED HOMESTEAD OIL CO. has received payment for balance of underwriting on 333,334 shares at 12 cents a share. Issued capital is 3,996,050 shares.

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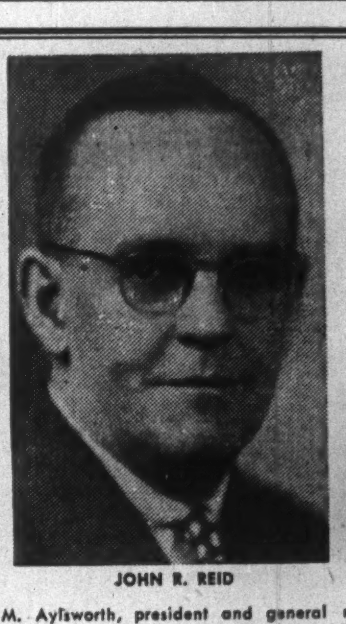

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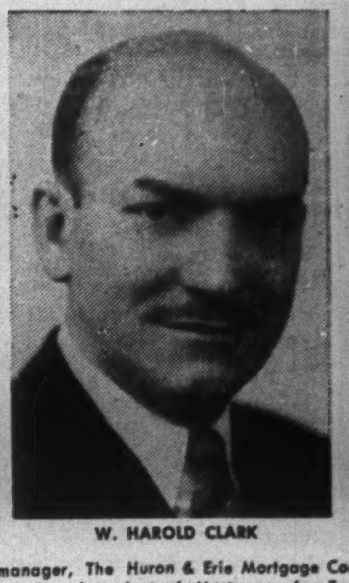

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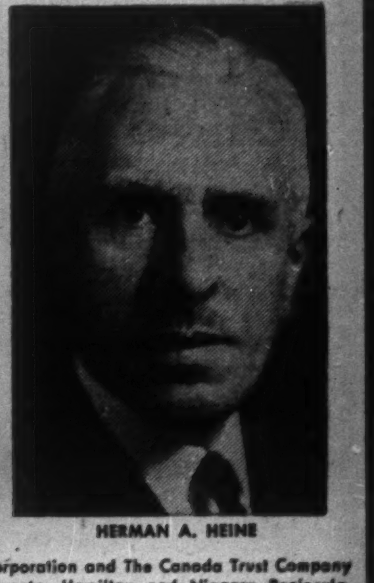

HERMAN A. HEINE

M. Aylsworth, president and general manager, The Huron & Erie Mortgage Corporation and The Canada Trust Company announces the appointment of J. R. Reid as Superintendent of Mortgages for Toronto, Hamilton and Niagara Peninsula. W. H. Clark, trust officer, Toronto Branch, succeeds Mr. Reid as manager and H. A. Heine until recently manager of The Canada Trust Company's Montreal office becomes assistant manager of Toronto Branch for both institutions. Messrs. Reid, Clark and Heine have each served these companies for over 25 years.

Speed Dieselizing Of Esquimalt Line

MONTREAL (Staff) — Changeover of the Esquimalt & Nanaimo Railway from steam to Diesel locomotives should be completely accomplished within the next month or two, C.P.R. announces.

Eight of thirteen 1,500-ton Baldwin - Westinghouse Diesel locomotive units are either already in operation on Vancouver Island or undergoing servicing in C.P.R. shops in Vancouver. After servicing they are being shipped by barge to Ladysmith on the Island.

Eight Diesel switch engines are operating in yard service in C.P.R.'s Vancouver freight yards. Diesels for Vancouver Island are destined for road service.

Have You Enough Cash?

There are many industrialists who believe that the high level of inventory values, the increased cost of securing business and credit restriction will combine this coming year to test the strength of present working capital positions and cash resources.

High taxation, plant rehabilitation deferred during war years and now urgently needed although at greatly increased cost, plus inadequate depreciation reserves and vastly increased need of working capital have combined to prevent achievement of a proper margin of safety.

It is fortunate, however, that in today's money markets this condition can be rectified economically and profitably by obtaining additional capital by means of a public issue of bonds or debentures or of preferred or common stock.

We would deem it a privilege to be consulted by corporate management who are in agreement with our views that securing a proper margin of safety is sound business insurance. Any conversations on the subject would be held in the strictest confidence and without obligation during preliminary stages of discussion.

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National Trust Speaks for Widows

At the fifty-first annual meeting of National Trust Company, Limited, Mr. W. M. O'Connor, President, said in part:

There has been a very substantial increase in the volume of the Company's business. The assets held on Capital and Guaranteed Trust Account total $35,273,000, an increase of approximately $1,600,000. The assets held for Estates, Trusts and Agencies stand at $332,000,000, a net increase of approximately $19,000,000 during the year. Total assets now stand at $367,000,000. Both the assets and the profits, which indicate the volume of our business, are the highest in the history of the Company.

It is difficult to speak of the services offered and available to the clients of a trust company without referring to the special attention given to the problem of taxes. Taxes today touch all phases of business and private life, and the officers and staff of a trust company must at all times be thoroughly conversant with latest enactments and regulations. We have always considered it one of our duties, however, to go farther than this and to consider how they affect our clients and to point out any results which appear to be unjust and inequitable. More than once in the past we have taken the lead in voicing a protest on behalf of a group of taxpayers who would otherwise have been unheard.

WIDOWS ARE UNJUSTLY TAXED

It is to just such a group that I wish to refer in these remarks. I am speaking of widows who in certain circumstances are regarded as single persons for income tax purposes. Today a widow receives an exemption of $750.00 as against an exemption of $1,500.00 allowed to a married person, unless she has a dependent to qualify her for marriage status. True, at the age of sixty-five she is allowed an exemption of $1,250.00, but if her children have ceased to qualify as dependents before she is sixty-five she is placed in the same category as a single person. I feel that this is unjust and unfair and that she should have the full exemption of a married person at an earlier age—say at fifty.

We have on other occasions pointed out the inequitable practice followed by the Ontario and Dominion Governments' Succession Duty Departments in valuing life interests in estates by capitalizing the assumed income on the basis of the life expectancy of the beneficiary. The Dominion assumes in its calculations a yield of 4% and Ontario a still higher yield of 5%. Both these rates are altogether too high on the basis of present interest rates. In my opinion the rate that ought to be used should not be more than 3%.

CAPITALIZING INCOME WORKS HARDSHIP

After determining the amount on this fictitious basis the law requires that the duties, which are based on the whole life expectancy, be paid in four equal annual instalments. This works a real hardship, unless the Will provides for the payment of duty out of the capital of the estate. Not only must the annual income provide these instalments of duty, but income tax as well, for the widow will be taxed on the full annual income notwithstanding that during the four-year period she may receive only a small part of it, or perhaps none at all. For example, if the income from an estate of $100,000, invested in Dominion of Canada bonds, amounted to $3,000 and this were left to a widow, aged fifty, during her lifetime, the combined annual instalments of Dominion and Ontario succession duties payable by her would be $1,900 and income tax would amount to $468, so that the widow would have to get along on $632 a year for four years. This archaic method of dealing with life interests should be changed for a more realistic and equitable one. One solution, which would result in no loss of revenue to the Government, would be the amortization of duties over the life expectancy of the income beneficiary, who would then be relieved from making the excessive annual payments now required during the first four years, since payments would be spread over the period of the beneficiary's lifetime. On this basis the combined annual instalments of Dominion and Ontario succession duties payable by the widow, as shown in the example I have given, would amount to approximately $310 per annum, in addition to which there would be annual income tax of $468, so that the widow would receive annually during the first four years $2,222 instead of only $632.

TAXATION HITS THE WIDOW'S MITE

The hardship of taxation invariably seems to bear most heavily on widows, especially in the small and moderate size estates. There seems to be a grim determination on the part of those responsible for the framing of our tax legislation that not even the widow's mite shall escape the Public Treasury. They seem to have interpreted in a strange way the Biblical statement that the widow's contribution is more than that of all the rich men.

Perhaps they have forgotten the warning in St. Mark, "Beware of the scribes . . . which devour widows' houses, and for a pretence make long prayers: these shall receive greater damnation."

I wonder if St. Mark were alive today what he would say about the scribes responsible for the framing of some of our succession duty and income tax laws.

Last year we urged upon the Dominion Government an amendment to the Dominion Succession Duty Act to exempt all charitable bequests under Wills. It was most gratifying, therefore, when the Minister of Finance in his Budget address last year announced the intention of the Government to exempt all bequests by Will to charities, effective January 1st, 1948. The Government is to be commended for this action.

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VANCOUVER

R. B. Buckerfield F. Ronald Graham Colonel Victor Spencer

In his address at the annual meeting of National Trust Company, Limited, Mr. Terence Sheard, C.B.E., General Manager, said in part:

As the President has indicated, the results of the operations of the Company for the year 1948 were most satisfactory. Following our long established practice, the values of the assets appearing in the Balance Sheet are in each case substantially lower than market or appraisal values, as the case may be. Ample reserves exist to provide for any foreseeable contingency.

While the Company has had a very good year, it would be less than candid to fail to draw the attention of the shareholders to the fact that costs of doing business are still rising and probably will continue to rise for a time even if the general cost of living does not increase any further. At the same time the price we receive for certain of the more important services we render was fixed many years ago when the general price structure was much lower than it is now. Executors' fees, for example, are, in the Common Law Provinces, a matter for the determination of the courts, where precedents are necessarily influential and therefore long established scales of allowance are not readily susceptible of change.

HIGH STANDARDS OF TRUSTEESHIP

Contrary to the opinion of the uninitiated, trusteeship is a difficult and even hazardous profession that can be carried on successfully only by an organization containing a large proportion of highly skilled and intelligent personnel. One reason for this is the high standard of conduct required of a trustee in all matters connected with its trust. Funds held in trust must not be mingled by a trustee with its own funds nor with the funds of any other trust. No profit, direct or indirect, can accrue personally to the trustee by reason of its trust other than the remuneration agreed to or allowed by the appropriate court. These and the many other rules that hedge about trusteeship are not always appreciated by the public but must become so thoroughly ingrained in our officers and staff that strict adherence to them becomes second nature.

APPRECIATION OF BENEFICIARIES

One of the most pleasant features of our business is the repeated evidence of the appreciation of our beneficiaries for jobs well done. In recent correspondence we find such expressions as—"My warmest thanks to you and to all those who have had a part in the settling of my affairs"—"For over thirty-five years I have had wonderful service from you"—"We feel our Aunt's choice of executors was a most happy one both from her point of view and from that of her beneficiaries." Even more gratifying is the growing tendency of our beneficiaries to employ us as agents in handling their own affairs and to name us executors in their Wills. We have now a number of accounts where our relationship with a family has extended to the third generation to give continuing evidence of confidence in the Company. Such relationships are the goal at which we constantly aim and hold out the best promise for the Company's future.

The key to that future is to be found in the quality of the service we have to render. The high quality of that service we are jealous to guard and eager to improve. And the maintenance and improvement of our service depend ultimately upon the integrity, loyalty and ability of all the officers and staff of the Company. At the close of a successful year I should like to express my thanks to every one of them for the efforts they have made and express too the confidence I know they share that we can all do still better in the future. At the same time I should like to add my personal thanks and those of all the officers of the Company to the Chairman of the Board, the President and to the Directors for their kindly, sympathetic guidance and the ever present help they are always ready to extend to us all.

National Trust Company, Limited

TORONTO • MONTREAL • HAMILTON • WINNIPEG • EDMONTON • VANCOUVER

What's New

New Products, Applications, and Ideas Gathered from World-wide Sources or Made in Canada for the First Time

All-Purpose Intercomm

Office intercommunication system marketed by Chicago firm is claimed to all requirements of installation in one unit; it can be expanded or re-arranged without discarding original installation. Six-, 20- and 30-capacity master stations can be used in the same system and can be intermixed with staff stations; a selector provides 12-, 20- and 30-station capacity with only 12 push buttons.

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Calculating Charts

Rapid computing charts for use in office or factory which afford easy multiplication of any pair of numbers by simply copying and adding a few three-digit numbers, are available from New York firm. Charts are laminated in plastic, are said to require no repair or replacement. They fit under desk glass for easy reference, are especially adaptable where calculating machines with competent operators aren't available.

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Soldering Tool

Light duty soldering tool which operates on resistance heating principle and is claimed to eliminate fire hazards and discolored work is offered by Montreal distributors. Touching work with tool completes secondary power circuit, causes part to be touched to heat almost instantly. Handy thumb switch permits close heat control. Complete set of attachments for handling all types of work includes a plier for sweating and unsweating copper tubing, soldering lugs and similar operations.

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Snow Remover

Small snow remover for small towns, plant storage and loading areas which is said to load a five-cu.-yd. truck in one minute (in comparison with 20-minute shoveling by four-man crew) is offered by Illinois firm. Remover has an automatic overload release, a spiral feeding device for full-capacity loading and for breaking lumps and ice. Loader can be converted into a year-round bucket loader at small extra cost.

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Come-apart Keykeeper

With "Car-Mac," Americans are unlocking car trunks without yanking key and chain out of the ignition switch. It's an automatic key coupler made in two halves with a key chain at both ends; uses a come-apart principle adapted from a device used by the British on wartime glider towlines and first tried in United States on dog leashes. One half is bullet-shaped, has a hole ⅛-in. diameter. Other half has clamping rod that snaps into place in the hole. The rod is held by a spring — when you squeeze the assembly, a clamp releases the spring and the gadget opens to leave one part of the coupler in the ignition, the other with the trunk key free in your hand.

Manufacturers of products which are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field

Enquiries concerning items in this column should mention the heading to the item, and the date of issue in order to ensure prompt reply.

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Illuminated Tally Board

New to the Canadian market, is the "Tally-Lite" Board, marketed by Toronto firm. It's designed to increase accuracy when "writing in the dark." Made of pressed board, it is light in weight, is lighted by three standard flashlight batteries and fills the need of those responsible for the accurate keeping of records of working conditions.

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Wood Preservative

A "curing" solution for wood which, it's claimed, eliminates shrinking and warping, is being marketed by Winnipeg firm. Called "Tim-ber-lox," solution impregnates wood fibres forming a protective film around each cell and fibre to eliminate water retention and as a result swelling or bloating of fibre. In fungicide form, compound which is resinous, is said to afford protection against fungus, mildew, dry rot, termites. Same firm also offers a similar type preservative designed to stop sweating and seepage of moisture in masonry surfaces and another which is claimed to strengthen fibres in textiles and leathers.

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Half-flood Light

"Calcu-lite's" U. S. maker claims fixture that's half way between a spotlight and a floodlight. Mainly for homes, stores, business buildings, circular ceiling lamp has a cone of useful light of about 45 deg., midway between a spotlight's 30 and floodlight's 60 deg. Built-in precision reflector steps up light output but lens specially designed to cut glare. Vertical parts of louvers used in lens are opaqued with a ceramic coloring (black most effective but white and coral also available). Lens itself is recessed behind ceiling level to further cut surface brightness. To yield "soft-edge" light, lens surface inside and nearest the bulb is flat and pebbled to increase diffusion. Made in several sizes it will take bulbs from 75 to 500 watts.

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"No-Bounce" Hammer

Hammer with new-type head which is said to eliminate "bounce," is claimed to give 30% more power on impact, cut down fatigue and give better control is offered by Vancouver firm. Patented head with plastic driving tips which are replaceable is loaded with angular steel grip to give shock-absorption properties. Hammer is said especially valuable for use on machined and finished surfaces, setting-up work, and for driving an intermediate tool.

THOMAS F. WHITLEY

has been appointed manager of the Toronto branch of the Royal Bank of Canada.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

BRANDRAM - HENDERSON LTD. net profit for the year ended Sept. 30, 1948 was off 26.5%. Despite continued cost increases, selling prices of company products have not been advanced during the year, and the additional costs therefore had to be partly absorbed by increased volume, and in part by lower profits, the annual report states.

Increased volume of production along with increased cost of raw materials, labor and manufacturing, called for additional working capital. This explains the appearance of bank loans in the balance sheet; but since the close of the fiscal year, the company has created and sold an issue of $400,000 general mortgage 5% debentures, thus providing the additional working capital required. During the year capital expenditures of $213,967 were incurred, which practically complete the company's extension and modernization program.

CONSOLIDATED INCOME ACCOUNT.

Years Ended Sept. 30:	1948	1947
Net earnings	$283,251	$419,554
Less: Deprec.	60,000	50,000
Bond int.	28,667	29,667
Inc. tax res.	82,506	187,245
Net prof. & surp.	112,078	152,642
Times Bond Interest Earned:		
Before depr.	9.88	14.14
After depr.	7.79	12.46
Earnings per Share and Dividend Record:		
Common	$2.24	$3.05
None paid.		

CONSOLIDATED CONS. BALANCE SHEET

As at Sept. 30:	1948	1947
Cash	$93,012	$112,425
Accts. rec.	418,235	388,355
Inventories	761,481	581,286
Total curr. assets	1,272,728	1,082,066
Prep. exp.‡	72,689	54,795
Def. chgs.	13,244	......
Refund. EPT	56,584	65,673
Investments	53,989	47,524
Fixed assets*	1,024,217	870,863
Total assets	2,493,451	2,120,921
Bank loan	500,000	100,000
Accts., tax, etc., pay.	457,208	570,842
Total curr. liab.	957,208	670,842
Funded debt	700,000	725,000
Other liabs.	......	914
Capital stock	315,214	315,214
Surplus▲	521,029	408,951
*After depr. of	693,129	648,573
▲Incl. ref. EPT	56,584	65,673
‡Incl. in curr. assets in co.'s. report.		
Working capital	315,520	411,224

ROBINSON COTTON MILLS LTD. show a net profit of $299,029 for the year ended Dec. 18, 1948, up 4.1% from the previous year. Insurance amounting to $128,060 was received due to the death of Gordon T. Robinson, and was credited to surplus.

Due to unforeseen delays in the receipt of machinery, the new mill at Woodbridge is not yet in full operation. "We can reasonably expect full production within the ensuing year, as the balance of machinery is now on hand and installation should soon be completed," President W. Robinson states. To date $995,454 has been expended on this expansion, which is subject to double depreciation. Commitments have been made or were contemplated for plant expansion, as of Dec. 18, which would involve an additional $200,000.

"We consider that we are confronted with fewer hazards than existed a year ago, largely because many of our raw materials will not, in the foreseeable future, be subject to the drastic price decline that was experienced this past year," Mr. Robinson states. Barring unforeseen circumstances, 1948 should result satisfactorily, he adds.

INCOME ACCOUNT

Years Ended Dec. 18:	1948	1947
Net earnings	$673,699	$565,959
Less: Deprec.	163,134	78,741
Bond int.	28,685	30,025
Inc. taxes	182,851	169,922
Net profit	299,029	287,271
Less: Divds.	75,000	60,000
Surplus for year	224,029	227,271
Earnings per Share and Dividend Record:		
Earned	$1.99	$1.92
Paid	0.40+0.10	0.40

CONDENSED BALANCE SHEET

As at Dec. 18:	1948	1947
Cash	$15,835	$3,435
Accts., etc., rec.	772,866	288,493
Life ins., c.s.v.	33,556	48,352
Inventories	1,287,322	1,895,065
Total curr. assets	2,109,579	2,235,345
Prep. exp.‡	10,776	7,156
Fixed assets	2,637,130	2,121,252
Total assets	4,757,485	4,363,753
Bank loan	263,989	422,507
Accts., tax., etc., pay.	336,181	243,845
Ser. bond due	50,000	50,000
Total curr. liabs.	650,170	716,352
Depr. res.	919,900	762,075
Funded debt	850,000	900,000
Capital stock	292,000	292,000
Surplus▲	†2,045,415	1,693,326
▲Incl. ref. EPT	......	1,083
‡Incl. in curr. assets in co's. report.		
†Reflects credit of $128,060 re life insurance claims.		
Working capital	1,459,409	1,518,993

CANADA CEMENT CO. net profit for the year ended Nov. 30, 1948 was up 54%. Sales volume was highest in the company's history, showing an increase of 20% over the previous year. Present indications are that the heavy demand for cement will continue during 1949, President F. B. Kilbourn states.

The addition to the Exshaw, Alta., plant came into production in May 1948 and the Belleville plant is expected to be in full production in May 1949. It is believed that the additions to these two plants will enable the company to meet the demands in the territories served by them. Since the end of the war productive capacity of the company's plants with current additions will have been increased by over 30%, and total annual capacity will be approximately 13 million barrels.

The company has also completed construction of a modern crushing plant to produce commercial stone for the Ottawa district. This plant will be operated under the name of Ottawa Valley Crushed Stone Ltd. Owing to steady operation of the plants during these years at greater than rated capacity, much maintenance work has been deferred, which will have to be taken care of when time and opportunity permit, the annual report states.

INCOME ACCOUNT

Year Ended Nov. 30:	1948	1947
Net earnings	10,272,364	$7,823,731
Less: Deprec.	3,294,184	2,570,000
Bond interest	58,318	73,201
Mortgage int.	4,900	11,300
Invent. res.	......	250,000
Inc. tax. res.	2,700,000	2,400,000
Pension fund	125,000	100,000
Adjust. val. of assets	362,396	......
Net profit	3,727,566	2,419,230
Less: Pref. divd.	1,305,648	1,305,648
Pref. divd. fund	400,000	600,000
Surplus for period	2,021,918	513,582
Times Fixed Charges Earned:		
Before deprec.	162.49	92.59
After deprec.	110.38	62.17
Earnings per Share and Dividend Record:		
Pref.	$3.71	$2.41
Paid	1.30	1.30
Common†	4.04	1.86
None paid.		
†Before allowing for preference dividend maintenance fund appropriation.		

CONDENSED BALANCE SHEET

As at Nov. 30:	1948	1947
Cash & govt. bds.	$164,977	$1,066,241
Accts. rec.	1,876,310	1,579,845
Inventories	4,527,932	3,070,123
Total curr. assets	6,569,219	5,716,209
Prep. exp.‡	127,641	101,875
Misc. assets▲	2,377,063	1,740,671
Fixed assets†	32,372,362	31,640,168
Total assets	41,446,285	39,198,923
Accts., tax., etc., p.	3,675,065	2,904,621
Mortgage due	......	245,000
Total curr. liab.	3,675,065	3,149,621
Funded debt	2,100,000	2,800,000
Misc. res.	850,000	850,000
Capital stock	26,490,805	26,490,805
Earned surplus▲	6,530,415	4,508,497
Pref. divd. fund	1,800,000	1,400,000
†After depr. of	5,803,215	2,570,000
▲Inc. ref. EPT	180,163	340,671
‡Incl. in curr. assets in co's. report.		
Working capital	2,894,154	2,566,588

NORTH INCA GOLD MINES has received permission to release 200,000 shares from escrow, effective Jan. 29. There are still 250,000 shares remaining in pool.

ANACON LEAD MINES has received payment for 50,000 shares at 50 cents a share, part of Aug. 22 installment. Issued capital is 3,050,005 shares.

Schwartz Buys Ewing Control

MONTREAL (Staff)—Controlling interest in S. H. Ewing Ltd., second oldest coffee and spices company in Canada, has been acquired by W. H. C. Schwartz and his brother Karl E. Schwartz. The former is president of W. H. Schwartz & Sons, Halifax, food manufacturers.

Operations of the Ewing firm will continue as in the past, it is stated, but facilities will now be available for manufacture of Schwartz products for distribution in Quebec, Ontario and Western Canada.

Present Schwartz plants in Halifax are said inadequate to take care of the potential increase which is expected in the Quebec and Ontario market, particularly for prepared mustard. Also, due to the increased freight rates, the Schwartz company has found it difficult to compete in this market. All supplies of glass and containers made in Montreal have to be shipped to Halifax and the finished products returned. Almost 90% of Schwartz mustard is sold in the Ontario and Quebec market, it is stated.

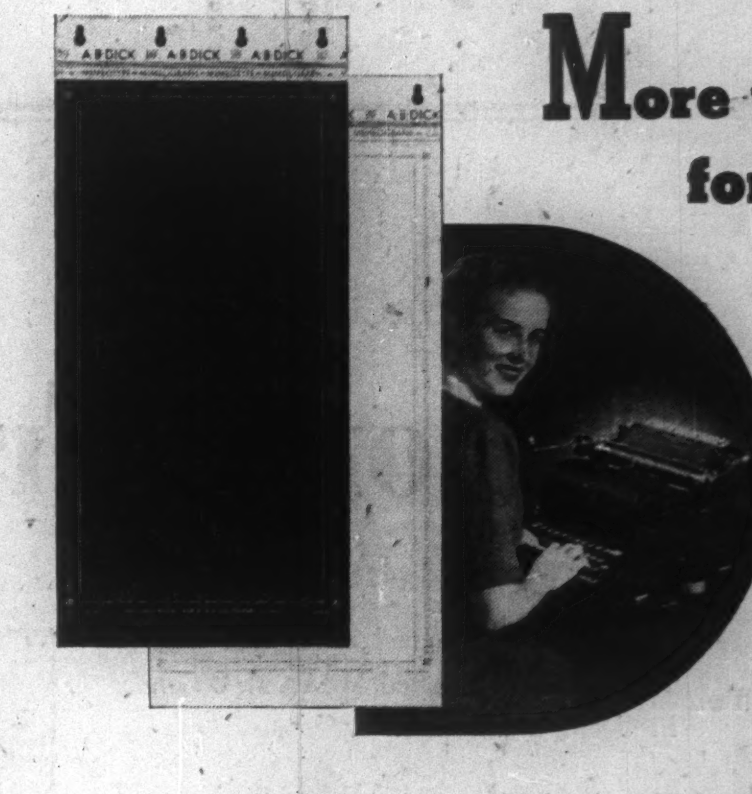
Operation of the two Halifax plants will continue, and the company expects an increase in its business from this area with the expected entrance of Newfoundland into confederation.

Explosives Sales Higher for 1948

MONTREAL (Staff) — Consumption of commercial explosives by mines in Canada during 1948 increased considerably over 1947, Canadian Industries Ltd., explosives division, reports. Outlook for this year is for continued expansion in sales of explosives for most mining purposes. More than half of all explosives sold in Canada and Newfoundland last year were for mining purposes.

Largest explosives consumer among the provinces was Ontario, which accounted for one third of 1948 mining sales. Quebec and British Columbia used about one fifth each of mining explosives; the Prairie Provinces 13% and the Maritimes and Newfoundland each 3%.

CONSOLIDATED ASTORIA MINES has received payment for balance of Jan. 21 underwriting of $52,500 covering 300,000 shares at 17½ cents, bringing issued capital to 1.4 million shares.



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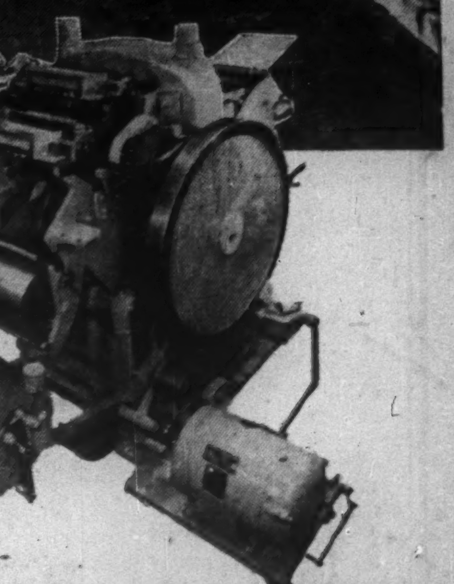

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The Financial Post

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What's Behind U.S. War on Our Labor Leftists?

Immigration Doors Slammed on Hundreds; Americans Not Taking Any Chances

By RONALD WILLIAMS

Already slightly groggy from constant local attack, Communists inside and outside Canada's labor movement were reeling this week.

Sam Carr had a lot to do with it. His unexpected arrest had the Reds talking to themselves. Coming as it did on the eve of their national convention in Toronto, it couldn't have happened at a worse time.

But the threat from another source was what really had them worried: a big gun being aimed by the United States Attorney-General and the U. S. Immigration Department.

By last week several hundred Canadians whom U. S. officials alleged to be communists or fellow-travelers had been barred from the U. S. until further notice. They included most of the top-rung left wing labor leaders. Eight had been barred for life. Two were leading Ontario unionists; George Harris of the Red-run CIO Electrical Workers and William Edmiston, Canadian director of the Communist-controlled AFL Chemical Workers.

The cases of the others were pending. The U. S. was slamming its immigration door smack in the faces of Canadians it believes to be Communists. In aiming at the Reds, this new immigration policy just now being formulated, presented anti-Communists with an excellent sighting device.

In the eyes of the U. S. Attorney-General, virtually all the persons excluded so far (there have been a few exceptions) are Reds. Here's an excerpt from the section of the Immigration Act under which they are banned:

"... any alien ... shall be excluded who ... believes in, advises, advocates or teaches or who are members of, or affiliated with any organization, association, society or group that believes in, advises, advocates or teaches (1) the overthrow by force or violence of the Government of the United States or of all forms of law ..." (See full text below.)

In administering this new policy, the U. S. works closely with Ottawa. So far Ottawa hasn't got as tough as the U. S.

An example of this co-operation was the Carr case itself. It is no secret that Carr's wife Julia led the FBI and RCMP to the man the Canadian Royal Commission on Espionage said was a kingpin of the Soviet spy ring. Mrs. Carr had been under constant watch. When she left for New York a month ago, she was followed. As with so many other women in the past, her trail led the police to her elusive husband.

Another example was the case of big Bill Edmiston. The **permanent** ban slapped on him last week was the sixth against Canadian union officials since the new policy came into force. The others: George Harris, Communist secretary of the CIO Electrical Workers; James M. Chambers, of the same union, Peterborough; William R. Nie and Harry Colgate, CIO Auto Workers and Alexander McNeil, CIO Rubber Workers, Kitchener. In addition, two nonunion members of the LPP have been banned permanently.

Once Declared Innocent

In Edmiston's case, the U. S. action may have greased the skids under his leftist leadership of the Chemical Union. On the surface, all that had happened was that Scottish-born Edmiston had been permanently barred from the U. S. But it had far greater implications than this. What was happening to the chemical leadership could happen elsewhere.

What makes it even more significant is the key position this union holds in industries important to defense. Ever since it was organized in 1944 out of the ruins of a Communist-run CIO union, it has had a stranglehold in key chemical, explosive, synthetic rubber and soap-making plants in Ontario and Quebec.

The behind-the-scenes story of what led up to the immigration ban on Edmiston reads like cheap fiction. There was petty intrigue, an attempt to outwit border regulations, plus the usual mystifying manoeuvring that invariably garnishes leftwing labor activities.

There had been sounds of revolt for some time. Because the anti-Communists could get no proof of the leadership's political leanings, nothing had come of it. Several locals had accused the leadership of being Red. If proved, this could mean expulsion.

The constitution specifically bars Communists from holding office. However, Edmiston was declared innocent of these by International President A. H. Bradley of Akron, Ohio.

In the face of this clean bill of political health, last week's immigration ban slapped on Edmiston by U. S. Attorney-General Tom Clarke brought matters to a head with a rush.

Evidently the case against the Canadian was so strong that he wasn't even called to testify. The International acted for him at the special hearing in Washington.

Forty-two-year-old Edmiston denies he is a Red. He has signed a Taft-Hartley Act declaration that he isn't; also in an affadavit sworn before a Toronto notary public and sent around to all Canadian locals.

In view of the immigration ban it is now open to the U. S. officials to put these affidavits to the test. Either they are true or not. If not Edmiston is liable to a charge of perjury, a U. S. official told The Financial Post.

Staff Is Banned Too

Who was right: the U. S. Government and a few Canadian locals, or the International President? The fate of Edmiston and perhaps the staff of organizers he had appointed (all have been banned from the U. S.) was believed to hang on this question.

It was understood that the International was reviewing the evidence on which it had earlier cleared Edmiston of the Red charge. Many failed to see how President Bradley could ignore the decision of the U. S. Attorney-General. The pressure from the AFL itself to clean out the Commies would become greater. AFL President William Green is known to be interested in the Canadian Chemical union picture.

If Bradley does reverse his opinion, it was considered a foregone conclusion that Edmiston would get the gate sooner or later. How soon would depend on whether Edmiston would try to form an independent union and take the Canadian section with him, and if so, how many would go? Already there was talk that this is what Edmiston was planning.

In the meantime, labor people were trying to figure out what had happened. To some it looked as though the Reds had again outsmarted themselves.

There was no doubt that Edmiston had sided with the Stalinists at most turns of the Communist line. But there was nothing to readily link him directly with the Communist organization.

This wasn't so regarding his former right-hand man, Reg. Wright. He was a former member of the LPP Executive Committee. However, this wasn't widely known. It wasn't until Wright muffed a strike last year at the St. Lawrence Starch Works near Toronto and also admitted he was a Communist that his political affiliations became common knowledge.

Quietly, Wright was let out. He returned to his old job in the gas house at the Toronto Consumers' Gas Co. He's now president of the Chemical Union local there, and currently leading the union's demands for pay raises.

The extremist section in this local is threatening to "shut the plant down" unless the company agrees, among other things, to pay ordinary laborers a starting rate of $1.33 an hour. This would be the highest in Canada and 28c an hour above what other firms in the area are paying.

It is no secret in labor circles that Wright was dropped because he had been definitely tagged a Communist. As such he was more of a liability than an asset. Moreover, the constitution bans Communists from holding office.

This week many wondered if Edmiston wasn't in the same boat. Like Wright, he had come from the Toronto gas house. He had been a meter repairer; Wright fired the boilers. But unlike Wright, Edmiston couldn't claim his job back. His leave of absence had expired long before.

Here's How It Started

If Edmiston is wondering what started the present chain of events, he will have to go back to last March. At a convention in Montreal, President Bradley held court on charges laid by some Canadian locals that the leadership was Communist. Edmiston was given a clean bill of health. On Bradley's instructions Edmiston later took out an affadavit before a Toronto notary public vowing that he was not a party member. It was sent to all locals.

It quelled the revolt temporarily. How-

(Continued on page 18)

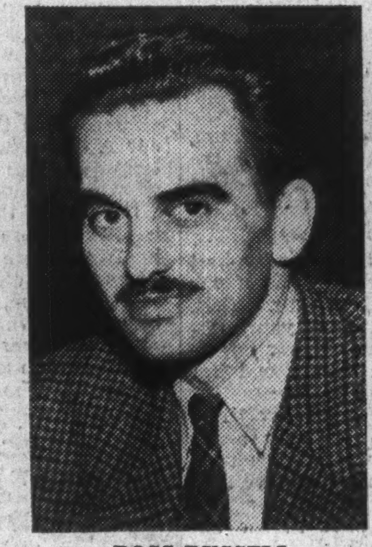
Here Are Some of the Top Labor Men Who've Been Banned

WILLIAM EDMISTON
Canadian Director, Chemical Workers

GEORGE HARRIS
Secretary, CIO Electrical Workers

C. S. JACKSON
Canadian Director, CIO Electrical Workers

HARVEY MURPHY
West Coast Director, CIO Mine, Mill and Smelter Workers



ROSS RUSSELL
Organizer, CIO Electrical Workers

HAROLD PRITCHETT
President, B. C. Woodworkers

ROY ENGLAND
President, Windsor Ford Local, United Auto Workers

The Act Says

Following is the section of the United States Immigration Law under which Canadian Communists or suspected Communists are excluded from the United States:

EXCLUSION AND EXPULSION OF ANARCHISTS AND SIMILAR CLASSES

(Act approved Oct. 16, 1918 as amended.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that any alien who, at any time, shall be or shall have been a member of any one of the following classes shall be excluded from admission into the United States:

(A.) Aliens who are anarchists;

(B.) Aliens who advise, advocate, or teach, or who are members or are affiliated with any organization, association, society or group, that advises, advocates, or teaches, opposition to all organized government;

(C.) Aliens who believe in, advise, advocate or teach, or who are members of or affiliated with any organization, association, society, or group that believes in, advises, advocates, or teaches:

(1) the overthrow by force or violence of the Government of the United States or of all forms of law, or

(2) the duty, necessity or propriety of the unlawful assaulting or killing of any officer, or officers (either of specific individuals or of officers generally) of the Government of the United States or of any other organized Government, because of his or their official character or

(3) the unlawful damage, injury or destruction of property, or

(4) sabotage;

(D.) Aliens who write, publish, or cause to be written or published, or who knowingly circulate, distribute, print, or display, or knowingly cause to be circulated, distributed, printed, published or displayed, or who knowingly have in their possession for the purpose of circulation, distribution, publication, or display, any written or printed matter, advising, advocating, or teaching opposition to all organized Government, or advising, advocating or teaching:

(1) the overthrow by force or violence of a Government of the United States or of all forms of law, or

(2) the duty, necessity or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) of the Government of the United States or of any other organized Government, or

(3) the unlawful damage, injury, or destruction of property, or

(4) sabotage;

(E.) Aliens who are members of or affiliated with any organization, association, society, or group that writes, circulates, distributes, prints, publishes or displays, or causes to be written, circulated, distributed, printed, published, or displayed, or that has in its possession for the purpose of circulation, distribution, publication, issue, or display, any written or printed matter of the character described in Subdivision (D).

For the purpose of this Section:

(1) The giving, loaning or promising of money or anything of value to be used for the advising, advocacy, or teaching of any doctrine above enumerated, shall constitute the advising, advocacy, or teaching of such doctrines and shall constitute affiliations therewith; but nothing in this paragraph shall be taken as an exclusive definition of advising, advocacy, teaching, or affiliation.

Metal Researchers Looking for a Stronger Steel

Photo by Capital Press.

Technicians in the Bureau of Mines Experimental Foundry pour a heat of steel into which copper and tin have been introduced so that engineers may test the effect of these impurities on steelmaking.

Science Goes to Work in the Mines

How Research is Paying Off With New Industries

BY CYRIL BASSETT

New industries for Canada, new uses for the nation's mineral resources, new processes for the metal-fabricating industries are being born in test tubes, under X-rays, in furnaces and melting pots in Ottawa laboratories.

These laboratories are the research workshops of the Bureau of Mines. There, 400 scientists and laboratory assistants, working with $2 millions' worth of some of the finest equipment in the world, are offering a service to industry that can bring benefits to the consumer in many fields in newer and higher quality products, lowered costs of production.

And the service is indispensable to our defense effort. For much of the research is devoted to finding new alloys that will stand up to demands of the latest weapons now coming off the drawing boards, jets and such; to lighter alloys for use in airborne equipment. Defense, in fact, is spurring about 60% of the Bureau's work.

These scientists are looking into fuel problems, trying to find ways of increasing fuel efficiency for home heating, trying to develop new synthetic fuels.

There's hardly one aspect of their research that cannot but become of eventual benefit to industry and consumers generally, from work on handling of atomic minerals to plans for development of a coal-fired gas turbine driven locomotive that will have the efficiency of three or four times that of the ordinary steam locomotive.

What is the Bureau, what's the idea behind it?

Broadly, the job of the Bureau is to carry out all investigations and research which will assist the mining and metallurgical industries. An offshoot of the Mines Branch which was formed in 1907, it came into operation as a result of recommendations of the Canadian Institute of Mining and Metallurgy.

Much of its present-day work arose as a result of the demands made upon the metallurgical industry in the war when Canada came into its metal age.

It is today as much concerned with economic problems of the industries as with those of a scientific nature—with such factors, for instance, as production costs; domestic and world demand for mine products; international development affecting world trade; mining taxation; quotas; tariffs and influence of mining on the settlement of areas.

"To do all this," says Bureau Chief C. S. Parsons," it is now equipped with large and modern laboratories in which not only fundamental research can be carried out, but also industrial and applied research and the actual running of both small-scale and pilot plant scale tests."

Its work on minerals is designed toward developing methods for the more economical and efficient treatment of ores and minerals found in refractory deposits (where several types of minerals occur together). Of great economic importance is the Bureau's work in development and treatment of low-grade ores.

Its work in metallurgy is designed toward production of higher-grade steels capable of standing up to greater load demands and of standing up longer under wider ranges of temperatures and atmospheric conditions; toward greater development of the newer light metals and alloys and fabrication processes, new welding techniques.

What does all this mean to industry?

Starting right at the beginning with the raw materials of the industry—in the case of mining operations — it can save a mining company planning to go into production much immediate (and later) unnecessary capital outlay in this way: the company ships a sample of its ore to the Bureau for detailed analysis as to composition and the most economical method of recovery.

Since, for example, cost of building an average-size gold milling plant may run between $1,500 and $1,800 a ton daily capacity at present prices, the company can obviously save a lot of later adjustment to its production facilities if it can know beforehand precisely how it should go about its production problems.

Many methods of treating ores and modifications of these treatments now being used by mining companies were worked out at the Bureau. More are under development.

Explains Chief Parsons:

"Some of our ore deposits have remained undeveloped for years awaiting the working out of a method of treatment. Many large Canadian mines have large bodies of refractory or low-grade ores for which there is at present no treatment process. It is the work of the Bureau to develop processes for the economic working of these bodies. It is no secret that the last war ate heavily into the ore reserves of the United States and Canada and there is a greater need than ever before for us to devise ways and means to make better use of our remaining reserves."

The Bureau's mineral dressing laboratories are so designed that any or all combinations of methods employed in extracting metals can be performed on a given ore. Samples of ore from a few hundred pounds to 50 tons or more are accepted for investigation.

That's a general idea of what can be done for mining operations. What about industrial minerals?

There's a constant effort to find new deposits, for although Canada is well supplied with most of the industrial minerals we're still importing at the rate of about $76 millions a year. While much of the present research is devoted to beneficiation processes, considerable work is being put in on development of new products and for the improvement of existing products.

That's one way in which the Bureau is fostering new industries.

Two important examples can be given. The rock wool industry was established as a direct result of Bureau activities and in 1947 production valued at over $5 millions came from 10 plants producing rock wool.

Following discoveries of brucite limestone in Quebec and Ontario by an operative of the Bureau, its laboratories developed a process to recover magnesia and hydrated lime for fertilizer and chemicals and for the production of basic refractories—and an industrial plant was established at Wakefield, Que.

Today the Bureau is experimenting with sand deposits with the object of finding qualities for use in Canada's 700 foundries and for glassmaking. We presently import such sand.

What's the score on fuels research?

The Bureau has pioneered research into hydrogenation methods of producing synthetic liquid fuels from coal and bitumen and the heavy Lloydminster crude petroleums but the many problems involved must place results some distance away.

Meantime, shaft and strip coal mining methods are being surveyed in light of the effect of different methods of mining on coal preparation and marketing. To promote the increased use of Canadian coals

(Continued on page 18)

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How To Make Your Business Grow—XIX

Right Kind of Advertising, Promotion, and Display Will Bring New Customers, Make Your Business Grow

BY J. K. EDMONDS

Suppose, at this point, you have selected good lines of merchandise, smartened up your premises, polished your customer manners and developed a top-notch staff of clerks. Do the customers start swarming in your doors?

You know they don't — unless you tell them what you've got. Offering the best values, the most desirable merchandise in the community is of no use unless your potential customers believe you have the best values.

If you've made drastic changes in the store's appearance and so forth you'll get a certain amount of word-of-mouth advertising in your immediate area; but if you really want to cash in on your improvements, you'll have to sell them — sell yourself, sell your store, and sell your produce — not just offer them for sale.

Is Your Advertising Up-To-Date?

You've probably used advertising of some sort ever since you've been in business. But can you say that you've used your advertising money as effectively as possible? More than one merchant has run an advertisement in the local paper for years, couched in the same terms, located in the same spot, describing standard merchandise.

Readers become as accustomed to it as to the masthead of the paper. Only those already interested in the store or its merchandise bother to read the ad. What you're after is new customers. You'll have to snag their attention with an eye-catching layout, and hold it with real bargains or real news.

Take a sharp look, then, at the advertising you're now employing. Who reads it? What sort of impression does it make? Does it tell your story — or is it just a routine small-store ad?

You'll find the advertising staff of your paper eager to help you make your advertisement as effective as possible. With their help, or by adapting ideas you see elsewhere, you can give your advertising a shot in the arm. You'll have to keep it up, though. One new sales idea a year isn't enough.

The Best Approaches

Ask yourself, too, if you are using the best approaches in your advertising. What the best approaches are depends of course, first, on the nature, size and location of your market, and second on the size of your operation — the amount you can spend for advertising.

The question of choosing advertising media is too large to go into here—but there's one thing you'll want to watch. This new, expanded business you hope to achieve may be able to support a more ambitious advertising program than you have so far undertaken.

Your initial bid for new business might warrant a fairly extensive advertising campaign. Advertising agencies in your area will be glad to give you an idea of the cost of a carefully planned program tailored to your new needs.

If you're an alert merchant, your advertising budget will run up to 2% of sales. It will, of course, vary according to the branch of retail trade you're in, and averages are always pulled down by those who make little use of this merchandizing tool. In the hardware field, for instance, a recent Canadian survey showed the retailer's advertising outlay running from 0.1% to over 2% of sales, with the average at 0.95%. In the drug field, a U. S. survey showed average advertising expense by druggists to be a 0.7%, but this doesn't include a substantial manufacturers' portion in co-operative advertising. Food stores, with their proportionately larger sales volume, strike a smaller average; 0.1% in the case of the independents

There's more to bringing in the cash customers than good merchandise, smart premises, and an able, pleasant staff of clerks.

Your merchandising methods — advertising, display, promotion — must do the key job of selling yourself, your store and your products.

It's not enough just to put an ad in your local paper and let it go at that. Your advertising money must be spent effectively if it's to bring in new customers.

If your approach to advertising, window display and promotion is tailored to your line of business, your neighborhood, your customers, you can count on your business growing.

(DBS 1946), a larger figure in the case of chain stores.

Apart from the "outgoing" forms of advertising, you'll want to develop new promotional methods right in your store. The first thing to check on is your windows. Are they effective salesmen for you? If they are the older type of windows, in which displays are arranged periodically, you'll need to check several points.

First, how often are the displays changed? You probably have a regular routine for this, but if you have been following the practice of putting in a window and leaving it until something impels you to make a change, now is the time to reform. Window space is valuable selling space — but it has to have something new or appealing in it to catch the attention of the passer-by.

Second, is the window adequately lighted? A downtown hardware store in a western city stands out like a beacon in a somewhat dingy block of stores. There's no basic difference in the window equipment of the hardware store and its neighbors—but the hardware store uses plenty of high-wattage bulbs in its old-fashioned fixtures. If your window is dim, a new type of lighting might be a worth-while investment.

Third, is there any zip in the window display? Busy merchants haven't time to be accountants, market analysts, interior decorators, personnel managers, and window dressers all at once and the system of allowing various firms to display their own wares in your window from time to time is a business necessity in many cases.

The man with the better mousetrap may have lured people to his door, but it's safe to bet he did it with the aid of a large sign.

Tailor Your Display to Interest

But once in a while, why not put in a distinctive window, tailored to your customers' interests, tied in with your current sales efforts?

One hardware merchant learned of a remarkable model train collection owned by a resident of the community. He arranged to display it in his window just about Christmas time. It drew onlookers from all over the city—and many of them came inside to buy the standard model trains that were advertised at the same time.

If you have the large window-wall front more common in recently designed stores your problem is to be sure that the whole store looks attractive through the window. It's useful, though, to pay particular attention to the display islands nearest the window, to see that they contain attractive, impulse merchandise. The practice of food stores, to arrange mass displays of bright-colored fruit near the window, is an example of this.

You'll find some good display ideas in business papers. Their editors are alert to effectively-arranged windows, and will frequently pass them along to their readers via illustrations. Hardware and Metal (Maclean-Hunter), for instance, makes a regular department out of it. In co-operation with a wholesaler, it sets up sample window displays for every week of the year. Two of these appear in each of its fortnightly issues, with display items picked in keeping with the various seasons of the year. Six weeks to a month before these items go on display, the publication lists them in one of its 12 monthly "buying guides." It may pay you to find out what similar service is to be found in your own line of business.

Besides these visual approaches to your customers, you'll want to try a variety of special sales approaches tied in with your day-to-day operation. One store in a new community, for instance, had an anniversary sale to celebrate its first birthday. Each customer shopping during the sale received a piece of birthday cake in a white gift box with a "many happy returns" card. The cake was a sample of a new variety to be introduced by a leading manufacturer.

You Can Be Too Dignified

Some merchants in older districts hesitate to try special sales campaigns on the ground that they are not dignified, that they would repel the sedate residents of their community. It's dangerous to take anything like that for granted. The type of customer who would be repelled by a sales approach would probably completely ignore it; while your potential new customers—the ones you're after, remember?—would at least know you exist.

Of course, you have to stop short of being a nuisance. One merchant with more enthusiasm than sense rigged up a public address system to blare his advertising into the street—in a residential district—during a special sale. Local residents weren't pleased —in fact they got an injunction against him.

This chapter has been couched almost entirely in terms of the retail operation, but its basic argument applies with even more force to the small Canadian manufacturer.

If your product is a specialty with a large potential market it is not only desirable but essential, that you tell the public what you've got. Emerson's man with the mousetrap may have lured people to his door, but it's safe to bet that he did it with the aid of a large sign reading "Better Mousetraps—One Block North."

What Makes an Executive 'Tick'?

11 Common Denominators for Leaders in Business World

What are the earmarks of a successful business executive? Dr. Ellwood C. Nance, of the University of Tampa, Florida, answers the question in an article "The Successful Executive and his Opportunities as a Leader in Community and World Affairs," a condensation of which follows:

A great artist or a great leader is rarely able to teach or describe his art. His acts and movements are often instinctive and sometimes unconscious and infinitely complex. But we nearly always discover among them certain common characteristics, capacities and patterns of behavior.

The distribution of talents and capacities among leaders, of course, varies. The behavior of many is conditioned to some degree by the organizations with which they are identified, or by their followers; but there are certain common behavior patterns and characteristics of mind and heart found among the majority of successful leaders in any field of activity.

1. Wise executives are hospitable to the opinions and ideas of their associates. They listen attentively to anyone who might have a little useful information, superiors or subordinates. They realize that no one man can have a monopoly on wisdom. They are wise enough to borrow, beg, or buy the wisdom they do not possess.

2. They believe in conference. They know how to create an atmosphere of **informality** in conference. It has been estimated that a **stiff, formal** conference creates an emotional block which blacks out from 50% to 75% of the potential wisdom and intelligence of those participating.

Instructions Lucid

3. They have good communication facilities and they know how to use words as instruments of communication. Their clear and lucid instructions are not likely to be misunderstood. They choose and use vocabularies on a level with the understanding of the people with whom they work and talk.

4. When they give instructions, they "follow through" — as we say in golf — to examine the fruits of their direction. By this follow-through method they often learn much about the understanding, ability and loyalty of their subordinates. Sometimes they discover that deficiencies and mistakes on the part of their employees is due to the lack of clarity in their direction.

5. They are men of boundless energy, force and enthusiasm. They often work harder and spend longer hours on the job than their subordinates. But they **do not mistake activity for direction.** Overworked and frustrated executives would do well to check up on their own efficiency.

6. Successful executives know how to develop enthusiasm, morale and self-confidence in their employees because they themselves have an abundance of these qualities. Because they are personally and sincerely interested in their employees, it is not usually difficult for them to get the teamwork essential for accomplishment. Such leaders get respect as a tribute without commanding it.

Perennial Students

7. Great executives are perennial students (a) of human nature; (b) of subjects related to their business; (c) of the world in which they live, and (d) of their own methods and personalities.

8. They are men with lively imaginations and therefore are creative, sympathetic and understanding in their human relations. The good executive has a keen sense of responsibility to the people above him, to his associates, his subordinates, and to the larger community.

9. Successful executives usually have very logical minds, but are creative enough not to trust logic always. They know that often the impossible of yesterday becomes the accepted of today; that the imponderable, the miracle and mystery of last week, may this week become common knowledge. They have a healthy scepticism about the "last word" in achievement. They believe with the poet that "the best is yet to be." All the great leaders have the courage to break with the past when necessary. They will try new methods, launch out on untried roads, listen to new ideas and theories.

10. Successful leaders are invariably enthusiastic about their work, proud of their achievement, but not often inordinately vain. Great men do not need the crutches of conceit and pretense. Frankness, modesty and sincerity are quality marks most frequently found among successful executives and leaders. Most great men are simple and relaxed.

11. The majority of successful executives and leaders have positive, realistic and constructive attitudes. They are usually affirmative in their thinking — an attitude indispensable to the successful operation of a business, industry, school, city, church or army.

Many of the most embarrassing problems in our national and international affairs could be solved if a larger number of our great leaders in commerce and industry should take a more active interest in community and world affairs outside their own sphere of special interests.

Approximately five million executives in America direct the coordinated activities and forces of approximately 4,000 formal organizations which employ the large majority of the salaried and wage-earning personnel of the country. More than 100,000 of these five million leaders are major executives.

The leadership capacities, qualities of mind and character which I have here ascribed to the successful executive are urgently needed in all of our local community operations. Again and again we see many worthy community projects go under for no other reason than lack of interest and support on the part of indifferent and passive leaders of the community.

The average executive might reply: "I would not be a successful executive very long if I tried at the same time to manage my own affairs and those of the nation and the world."

There is plenty of merit in the argument that a man cannot afford to neglect his own business. But we cannot safely evade the fact that what happens to the people at large ultimately affects individual enterprises everywhere.

"More, Better Brains"

The appeal here is for more and better brains, more daring spirits, more efficiency, more science, more honesty, more energy, more enthusiasm and more foresight in all our community relationships and activities.

In this new atomic age, more and more of us must learn to "bear one another's burdens," which is not only good religion but smart civics, efficient citizenship and a bulwark of democracy.

We need better informed citizens in the major principles of citizenship. This need calls for adult education through all possible media: radio, press, lecture platform, evening classes, house organs, educational films. Adult education possibilities through the 250,000 churches and religious groups in America — with an average membership of more than 200 — and through the thousands of other fraternal and civic organizations, are great. This should be a challenge to religious leadership.

COMPANY REPORTS

INDUSTRIAL MORTGAGE & TRUST CO. 1948 net profit was $64,393 ($61,816 for 1947). Business has continued to show a steady growth at company's three offices, the annual report states. Liabilities to public increased to $6,169,555 ($5,906,929) and were secured chiefly by $4,461,230 ($4,420,682) in liquid assets, including bonds and stocks, and $2,707,582 ($2,466,795) in mortgages and sales agreements. Estates account was practically unchanged at $1,073,296 ($1,076,764).

	1948	1947
Liabs. to public, etc.*	$6,169,555	$5,906,929
Shareholders' equity.	1,084,357	1,064,982
*Secured by:		
Mtges. & sls. agree.	2,707,582	2,466,795
Realty for sale†	1	1
Office premises ...	85,099	84,433
Liquid assets‡	4,461,230	4,420,682
Total	7,253,912	6,971,911

†Less reserve. ‡Includes bonds and stocks.

Estates account	1,073,296	1,076,764
Earned per share	$5.07	$4.87
Paid	2.50+0.75	2.50+0.75

STEEP ROCK IRON MINES says that 360,000 shares have been sold to Premium Iron Ores at $1.40. Issued capital is 6,530,511 shares.

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Feb. Dividends $14 Millions

Dividends payable in February (as declared to Jan. 28) amount to $13,971,275, as against $12,895,875 for the same month last year.

Increase in dividends payable by the industrial group is main factor in the increase. Dividends on 98 industrial stocks of $10,538,165 compare with $9,569,059 paid by 105 stocks last February; payment of $1,095,714 by Price Bros. helping to swell the month's total. Payments by six mining companies of $1,539,858 were narrowly lower from last year, when eight companies paid $1,542,189. One oil company will pay $80,800 as against the $86,469 payment by two companies last February. Payments by 11 financial institutions of $1,812,452 will compare with payments of $1,698,158 by 11 institutions last year.

Dividends paid and declared to date for the first two months of 1949 show a 9.6% gain over the corresponding period of 1948. Following is a list of payments for February, 1949, as compiled by The Financial Post from records now available.

Monthly Dividends

	1949 $	1948 $
January	58,506,490	53,238,358
February	13,971,275	12,895,875
Total	72,477,765	66,134,233

Industrials and Utilities

Company	Date $	Rate	Amount $
Anglo-C. Tele., 4½% pf.	.56¼q	1	58,500
Ault & Wiborg, pf.	1.37½q	1	6,182
Atlas Steels	.25q	1	208,600
Beaver Lumber c.	.50	1	78,369
Bertram & Sons, A	.25q	15	12,000
Do. B	.05q	15	12,000
Blue Ribbon pfd.	.62½q	1	18,656
Brant. Roofing	.50	1	21,757
B. C. Forest Prods.	.15s	1	300,000
B. C. Pulp & P. 7% pfd.	1.75q	1	9,732
B. C. Tele. 6% 2nd pfd.	1.50q	1	15,000
Stanley Brock A	.15q	1	4,702
Do. B	.10q	1	6,270
Bowes Co. A	.12½q	15	4,867
Caldwell Linen	.20q+▲.20	1	16,000
Do., 1st pf.	.38q	1	5,700
Do., 2nd pf.	.20q+▲.20	1	10,000
Can. West. Cord. A	.12½q	1	4,162
Can. Bronze	.25q+▲.25	1	80,000
Do. 5% pf.	1.25q	1	9,375
Can. Car	.20q	22	73,160
Do. A	.25q	22	100,000
Can. Utilities 5% pfd.	1.25q	15	187,500
Can. Vickers 7% pf.	1.75q	1	35,000
Can. Pac. Rly., pf.	2%s	1	2,745,138
Chase, A. W. pfd.	.50	10	4,332
Coast Breweries	.06	1	108,188
Cochrane-Dun. A	.20q	15	5,400
Do. pref.	.30q	15	5,400
Colonial S.S.	7.00	25	210,000
Conduits	.25	9	20,200
Cons. Glass	.37½q	28	118,838
Cosmos Imp.	.40q	15	40,000
Craig Bit	.25	1	25,000
Crown Cork	.50q	15	30,000
Disher Steel A	.37½	1	4,335
Dom. Bridge	.30q+▲1.00	25	668,136
Dom. Fabrics	.20q	1	14,000
Do., 1st pf.	.75q	1	6,750
Do., 2nd pf.	.37½q	1	7,500
Dom. Malting	.25q	1	15,760
Do., 5% pf.	1.25q	1	8,125
Dom. Tar & Chem.	.25q	1	110,500
Dom. Woollens	.25q	1	36,821
Donnacona P., 4½% pf.	1.12½q	15	28,125
Dryden Paper	.30q	1	51,600
East. Theatres	1.00	7	32,000
Esmond Mills 5% pfd.	.25q	1	3,750
Freiman, A. J.	.12½q	1	10,625
Do., 4½% pfd.	1.12½q	1	10,125
Gen. Steel Wares	.20q	15	26,176
Do., pref.	1.25q	1	62,500
Gt. West Coal	.50s	15	80,400
Grand'mere K't 5% A pf	.32q	15	3,200
Holden A	.15q	1	4,520
Hydro Elec. Sec. 5% B	.25s	1	165,240
Imp. Tob. 4% pfd.	.25q	1	100,000
Maclaren Pwr.	.50q	28	178,570
McArthur Chem. 5% pf.	.25q	1	1,563
McCabe Grain A	.15q	1	6,737
Do. B	.10	1	7,488
Mercury Mills	.45	1	42,548
Mid. & Pac. Grain	.25q	1	25,000
Northwest Util. 4% pf.	1.00q	1	30,000
Ont. Steel Prod.	.25q+▲.25	15	24,220
Do. pref.	1.75q	15	6,304
Penmans	.75q	15	48,388
Do. pref.	1.50q	1	16,125
Price Bros.	2.00	1	1,095,714
Prov. Transport	.30s	15	105,000
Purity Flour pfd.	.87½q	1	32,375
Quebec Power	.25q	25	138,299
Quinte Milk A	.15q+▲.10	1	9,625
Do. B	●.10	1	963
Reitman s5% pf.	.25q	1	5,313
Robinson Cotton	.10q	1	15,000
Scarfe & Co. A	.20q	1	7,000
Do. B	.10	1	5,250
Shea's Brew. A	.27½s	15	41,250
Do. B	.75s+▲.25	15	180,000
Shawinigan W Pr.	.30q	25	601,188
Sher.-Wms. ord.	.20q+▲.20	1	80,000
Shirriff's A	.06q	1	7,290
Do. pfd.	.25q	1	3,750
Sidney Roof. A	.22½q	1	11,250
Slater, N.	.30q+▲.30	1	2,500
St. Lawr. Flour	.40q	1	14,400
Do. pref.	1.75q	1	9,682
Stand. Fuel 4½% pf.	.56¼q	1	11,250
Steel of Canada	.75q+▲1.00	1	805,000
Do. pref.	.75q+▲1.00	1	454,741
Southam	.25q	15	187,500
Sou. Can. Pwr.	.30q	15	120,000
Waterous A	.20q	15	7,590
Wood, A. & J. pf	1.75q+‡1.75	1	22,750
Zellers	.37½+.50	1	109,375
Do. 5% pfd.	.31¼q	1	12,000
Do. 6% pf.	.37½q	1	15,000
Total			10,538,165

Mining Companies

Company	Date $	Rate	Amount $
Inter. Nickel pf.	†1¾%q	1	483,486
Kerr-Addison	.05	25	236,515
Lamaque Gold	.12	1	360,000
Leitch Gold	.02	15	57,000
O'Brien	.05	23	162,500
Teck-Hughes	.05	1	240,357
Total			1,539,858

Oil Companies

Company	Date $	Rate	Amount $
Can. Oil c.	.20q	15	80,800
Total			80,800

Financial

Company	Date $	Rate	Amount $
Bk. of Nova Scotia	.30q		360,000
Can. Bk. of Comm.	.20q	1	600,000
Can. & For. Secs.	.21	1	94,500
Can. Inv. Fd. sp. & ord.	.06	1	152,010
Can. Investors	.10q	1	10,000
Comm'wlth Intl.	.04	15	5,983
Dominion Bank	.25q	1	175,000
Imperial Bank	.30	1	210,000
Northern Trusts	.40	1	20,000
United Corp. A	.38q	15	20,115
Do. B	.25q+▲.50	28	164,844
Total			1,812,452
Grand total			13,971,275

q Quarterly. s Semiannually. a Annually. †N. Y. funds. ●Initial. ▲Extra. ‡On arrears.

COMPANY REPORTS

COAST BREWERIES LTD. consolidated net profit for the year ending June 30, 1948, was $716,227 up only slightly from the previous year. Net earnings were down about 10.8% but taxes were also lower.

CONS. INCOME ACCOUNT

Years Ended June 30:	1948	1947
Net earnings	$1,419,704	$1,592,272
Less: Deprec.	105,582	77,275
Inventory res.	9,381	†2,384
Pension contrib.	15,514	15,666
Inc. tax res.	573,000	786,000
Net profit	716,227	715,715
Less: Dividends	432,756	270,472
Surplus for year	283,471	445,243
†Credit.		
Earnings per Share and Dividend Record:		
Common	$0.40	$0.40
Paid	0.24	0.12+0.03

CONDENSED CONS. BALANCE SHEET

As at June 30:	1948	1947
Cash & Dom. bds.	$869,096	$1,039,445
Accts. rec.	704,463	598,869
Inventories	660,001	502,859
Total curr. assets	2,033,560	2,141,173
Def. & prep. chgs.▲	387,655	454,653
Investments	360,078	306,543
Fixed assets*	820,681	608,498
Goodwill	8,481	13,481
Total assets	3,610,455	3,526,348
Accounts pay.	151,013	98,698
Res. for taxes	294,309	550,368
Total curr. liab.	445,322	649,066
Invent. res.	84,046	74,666
Capital stock	1,306,576	1,306,576
Surplus‡	1,774,511	1,496,040
*After depr. of	1,297,640	1,198,800
▲Incl. ref. EPT	377,500	443,500
‡Incl. ref. EPT	443,500	443,500
Working capital	1,588,238	1,492,107

YOU ASKED US

The Financial Post will provide subscribers as quickly as possible with the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinion on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INVESTMENTS

Argus Corp.

Would you please advise me on the following questions regarding Argus Corp.?

(1) Is it wise to pay out $510,000 in dividends instead of reducing the secured bank loan of $850,000.

(2) How will the company meet the $500,000 debenture installment due Aug. 15, 1949?

(3) Wouldn't it be helpful if the company showed holdings of investments at the end of the current year compared with that of the previous year?

(4) What is represented by "Sundry Investments" of $1,855,244.

(1) The dividend policy of Argus Corp. is to pay shareholders between 60% and 65% of the anticipated cash income for each year, it was stated at the annual meeting in January 1947. The wisdom of this policy, of course, depends on circumstances and is a matter which directors should be constantly considering. In this connection it should be noted that if the total income received in the company's 1948 fiscal year from dividends and interest is related to the balance sheet value of investments, plus the amount of reserve for investments, it would indicate the company is earning about 6.42% on its total investment. If its income is related to the total assets of Argus Corp. plus the reserve for investments (which is deducted from investments), it would indicate that the company was earning 6.31% on its total assets. It would seem unlikely that the company is paying a rate of interest on its secured bank loan as high as this, so that the company would apparently be making money on its bank loan. Whether, by selling some securities and paying off the bank loan, it could increase the rate of return on its total investments, cannot be judged from the information available.

(2) To pay off the $500,000 3% serial debentures due next Aug. 15, the company will have the $204,794 cash shown at Nov. 30, 1948, plus additional cash received in excess of its requirements for expenses and dividends up to Aug. 15. If this should not prove sufficient, presumably the company could arrange for a bank loan or to liquidate enough of its investments to meet this obligation.

(3) We think it would be very helpful to shareholders, if the holdings for the last two years were shown in each report. The company does mention changes in the body of its semi-annual and annual reports.

(4) The company has not disclosed what is held in "Sundry Investments." The Financial Post understands that it has always been the policy of the company to disclose to its shareholders and the public generally, the details of its portfolio up to 90% of the cost thereof. From time to time, however, the company makes investments in special situations which it hopes will develop favorably to the advantage of the shareholders, but the particulars of which it is not considered advisable to disclose at any given time, because premature disclosure might well prejudice the plan for the company in its developments of these conditions. The directors consider that this policy should be continued, The Post is told.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CATELLI FOOD PRODUCTS, LTD. net profit for the year ended Nov. 30, 1948 was up 29.6%. Profits during the last two years have been bolstered to a good extent by "nonrecurring" profits derived from export trade with countries which are now able to look after their own requirements, President Paul Bienvenu states. The company's normal export business still remains and the position in the domestic market is extremely strong, it is said.

A portion of the "nonrecurring" profit was carried to surplus, to strengthen the position of the company. On Dec. 29 last, 19,300 shares or approximately 50% of the outstanding 5% preferred stock was called for redemption. The company's strong liquid position, together with proceeds from sale of Vancouver plant, has also permitted construction of the new Lethbridge plant and it is anticipated that the balance of the funds necessary to complete this plant will be obtained from the company's own resources, without outside financing. Reduced manufacturing costs are anticipated from the new Lethbridge plant, which will also serve the area formerly served by the Vancouver plant.

Inventories were up due in part to increased prices for materials, but also as a result of the company's decision to build up a full stock of raw materials which will permit enlarged program of canning activities, including certain new and improved products.

INCOME ACCOUNT

Years Ended:	Nov. 30 1948	Nov. 29 1947
Total net income	$850,772	$780,980
Less: Deprec.	82,708	56,440
Nonoper. exps.	29,583	20,976
Pension fund	17,873	12,500
Taxes	270,000	343,327
Net profit	450,608	347,737
Less: Pref. divds	28,780	28,781
Common divds.	68,853	57,377
Surplus for year	352,975	261,579
Earnings per Share and Dividend Record:		
Preferred	$11.74	$9.06
Paid	●0.75	0.75
Common	9.19	6.95
Paid	1.00+0.50	0.80+0.45

CONDENSED BALANCE SHEET

As at:	Nov. 30 1948	Nov. 29 1947
Cash & mkt. secs.	$425,261	$270,148
Accts. rec.	432,155	548,559
Life ins., c.s.v.	12,050	11,050
Inventories	625,915	587,393
Total curr. assets	1,495,381	1,417,147
Mortgage rec.	79,000	54,000
Misc. assets▲	73,202	50,812
Fixed assets*	971,908	862,164
Total assets	2,619,491	2,384,123
Accts. & tax. pay.	517,084	500,896
Other curr. liab.	290,658	......
Total curr. liab.	807,742	500,896
Reserves	100,000	212,500
Capital stock	745,130	1,034,630
Capital surplus	25,370	25,370
Distrib. surplus	80,764	80,764
Surplus▲	‡570,985	529,963
Pfd. redemp. approp.	289,500	......
*After depr. of	1,147,198	1,131,557
▲Incl. ref. EPT	17,406	17,406
‡After deducting $289,500 approp. for redemption of pref. shs.		
Working capital	687,639	916,251

TORONTO MORTGAGE CO. 1948 net profit was $100,481 compared with $100,370 in 1947. Liability to public amounted to $1,916,678 ($2,123,153) and was secured by liquid assets of $1,024,939 ($1,170,963) including bond and stocks and mortgages of $3,170,353 ($3,228,973).

	1948	1947
Liabs. to public, etc.*	$1,915,678	$2,123,153
Shareholders' equity	2,223,614	2,321,783
*Secured by:		
Mortgages	3,170,353	3,228,973
Office premises	45,000	45,000
Liquid assets†	1,024,939	1,170,963
Total	4,240,292	4,444,936
†Includes bonds, stocks & debentures.		
Earned per share	$5.09	$5.09
Paid	5.00	5.00

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Nfld. Firms Study Plans On Surpluses

MONTREAL (Staff) — Newfoundland companies with taxable surpluses on their books have worked out a formula to put them in the clear for Confederation, according to reports reaching here. Several companies have already undergone capital re-organization. (The Financial Post, Dec. 4).

The situation appears to be that a number of Newfoundland companies have substantial amounts of undistributed profits in the form of earned surpluses. Once Newfoundland becomes a tenth province under Confederation this spring it is assumed that such profits would become subject to the Canadian income tax provisions.

One method by which earned surplus could be reduced lies in the payment of extra dividends to stockholders. It is pointed out, however, that since earned surplus is not necessarily represented by cash such payments are not practical in all cases. There is also the question of personal income tax liability.

A second method, and one which it is understood some Newfoundland companies are now studying, is to form a new company. The new company will be capitalized with respect to the capital stock of the old company and also its earned surplus in the form of debentures.

For example existing company "A" has a capital stock of $100,000 and earned surplus of $100,000. A new company "B" is formed and takes over the capital stock of "A" and issues debentures in an amount of $100,000, thus converting the earned surplus into funded debt.

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What's Behind U.S. War on Labor Leftists?

(Continued from page 15)

itself to clean out the Commies wouldn't ever, it surged up again last September. The International convention was being held in Long Beach, Calif.

Knowing that delegates would be going from Canada, U. S. Immigration authorities got in touch with Edmiston. They wanted to help avoid delay or inconvenience at the border. They asked Edmiston to submit a list of his delegates.

This was the new policy of "prescreening" Canadian labor men wanting to go to the U. S. It isn't compulsory but it does tend to clear up any misunderstanding beforehand as to who the U. S. Government is going to let in.

Edmiston stalled for a few days, finally sent in a list. Some were okayed by U. S. immigration officials, others not. Edmiston's name was not on the list, although immigration men were almost certain he was going.

Edmiston then did an odd thing, unless he had suspicions that he would be forbidden entry. He drove to Montreal, picked up an organizer there, doubled back and crossed at the Thousand Islands Bridge. The reason he gave for wanting to enter the U. S.: he was going on a vacation in New Hampshire.

Next thing, he turns up at the convention in Long Beach. He had driven clear across the country.

Before the convention was over, U. S. Immigration had caught up with him. Amid loud protests from the delegates, Edmiston was taken from the floor of the convention, held and questioned. He was returned to Canada before the convention ended. All this hit the front page of the local newspaper. All the details are also known to President Bradley, The Post is told. However, not one word has yet appeared in the Communist press.

The revolt simmered until January. Then Bradley called a staff meeting in Akron. Edmiston and his organizers had to attend: Lowis Tait, who works out of Sarnia and London; George Gare, Niagara Falls and Charles Manser, Toronto. This time all applied at the Toronto Immigration office before heading for the border. All were temporarily denied entry.

As substitutes, the union named two virtually unknown rank-and-file members. One turned out to be Edmiston's brother-in-law; the other a girl from London known to be active in the Communist youth movement. The former was okayed, the latter refused.

Out of this came the final showdown; the special Washington hearing at which Edmiston was ruled out of the U. S. for life. The skids were in place and greased. Most of the work had been done by the U. S. Immigration Department.

This week close to 100 Canadian labor men whose political views jibe with Edmiston's faced the same fate. In addition, the cases of two or three hundred nonunion leftwingers were pending. If banned permanently, it meant the door to the U. S. was closed to them for good, even though they might change their real or their alleged political views.

Rightly or wrongly, the U. S. isn't taking any more chances.

How Mine Research Develops New Industry

(Continued from page 15)

the Bureau has undertaken an investigation of beneficiation processes.

For railway use the Bureau has been taking a close look at methods of using powdered coal under pressurized combustion with the eventual object of developing the coal-fired gas turbine locomotive mentioned above.

Of direct interest to consumers using coal for home heating is a co-operative project undertaken with the Stoker Institute of Canada.

This proposes to broadly assay the domestic and imported coals available for their suitability of use in domestic-type stokers; the whole object being to get stoker manufacturers and coal dealers together in a more accurate matching up of stokers and types of coal.

Studies are also being made of the bituminous sands of Alberta and of a possible new process for their treatment.

What about the metallurgical industry, the fabricators and manufacturers of metal products, the foundrymen?

Equipment of the Bureau's physical metallurgical laboratories comprises the most modern collection of tools and instruments available and now being used by Canadian manufacturing industries.

Here, metals and alloys can literally be taken apart to see what makes them tick, under what conditions they will perform, how long they will last under different sets of conditions, how far they can be put to wider uses.

In the Bureau's experimental foundries they are carrying out projects for improving the casting techniques for magnesium metal such as permanent molds, centrifugal casting and high-pressure die casting. It's claimed to be the only well-equipped experimental foundry in Canada where investigation of such problems common to the industry can be carried out.

They're working also to find easier methods of fabrication, of creating stronger alloys, of finding more reliable methods of corrosion protection and it's reckoned that solution of these problems will considerably widen the market for magnesium metals.

In welding laboratories researchers are working on new processes by which it's hoped eventually to produce an all-welded jeep chassis, lighter, stronger and cheaper than present models.

Shortage of materials—such as pig iron and quality scrap—has brought many problems to the laboratories. Some small foundries whose operations were based on using a particular kind of pig iron, a particular quality of scrap, have been helped by the Bureau through its discovery of a modification of melting procedure which will still allow them to produce good, sound casting with substitute materials.

That's an example of a short-term project. Others are much broader in scope, of a much longer-term nature.

For example they're experimenting to find a stronger steel through elimination of copper impurities. Problem here is that since all steel is made from scrap-iron, impurities from the iron inevitably creep into the steel to weaken it. They're hoping to overcome this by an atomic hydrogen process.

A recently-developed process called powder welding is also under study. Purpose of this process is to enable metal parts to be coated with an abrasion-resistant or corrosion-resistant material. Development would cut down maintenance costs on many items of equipment.

Good examples of application of this process would be the spraying of enamel on steel to repair small fractures; the building up of castings and worn parts such as bearings and crank shafts to required dimensions. Expensive dies containing minute defects can be salvaged by this process.

Mechanical testing is another important part of Bureau research. Constant attention is being given to such problems as finding better steels for use in such applications as automobile, springs, steel shafts, aircraft cables.

Machines subject these products to all kinds of harsh treatment, under all kinds of conditions, tear them apart so that the material can be examined and improved in its weak spots.

All the way through these many processes the constant effort is to find something better, something new; to improve all the time.

What's ahead for the Bureau?

Planned for early building is a two-story atomic study laboratory. The Bureau is already engaged in work for the National Research Council in experimentation with radio-active elements, testing their behavior under working conditions.

How can industry take advantage of the Bureau's services?

It's merely a question of applying for research to be undertaken on the problem involved. Presently six or so such cases a day arrive at Bureau offices. In most cases, when the problem is purely one of research no charge is made. Firms can send up their own personnel to conduct or supervise research or leave the problem to the Bureau entirely.

Naturally, there's no telling how long a problem may take before a solution can be found.

But one thing is certain—in nearly every aspect of its work, the Bureau is the only place the mining and metallurgical industries can take their problems. And its laboratories are considered among the best equipped anywhere.

Bureau officials have only one immediate regret. They weren't able to get their hands on any of the prominent German scientists who became available at the end of the war. "Britain and U. S. gobbled them up,' laments Parsons.

Engineers Turn Artists With Flowers, Seascapes

When such avowed realists as engineers let themselves go on "A Study of a Group of Nasturtiums" or "A City Waterfront in a Smoke Haze" it can only mean one thing—a psychopathic reaction from too long hours over the limitations of stresses and strains. So thought many of the members of the Association of Professional Engineers of Ontario when they broke off more serious annual meeting matters last week to view the Association's first art show at the Royal York hotel in Toronto.

What they saw caused them to revise their thinking and wonder if perhaps, after all, it wasn't a splendid idea which should be repeated every year. After all, the 36 engineer contributors had proven themselves in the stern field of engineering first, and the 110 art pieces represented spare-time hobbies. What really clinched the show for engineer onlookers was the fact that most of the oil paintings, watercolors, pencil and charcoal sketches represented good fundamental drawing and faithfulness to subject matter. Their professional training could not have withstood the shock of primitivism, for instance.

Take Steps to Expand Use Of "Canada Standard" Mark

"British Made," long plugged by British manufacturers in world markets as the hallmark of quality and excellence of workmanship, may soon have a rival: "Canada Standard."

That's what's behind mention in the Throne Speech last week of a bill to replace the Dominion Trade and Industry Act which hitherto has governed use of trademarks.

By this it's hoped to achieve wider use of Canada Standard as a trademark; so far its use has been very limited.

Precise terms of the new legislation are being worked out by the Standards Division of the Department of Trade and Commerce and the Canadian Standards Association, set up in 1919 as an organization of industry, science and government to develop uniform, nationwide standards of products, processes and procedures.

How will a manufacturer go about securing use of the trademark?

Procedure will be this. First he will ask for a standard to be established on his particular product. Needs and practicability are then examined by the Standards Association and a committee is set up on which are represented all sections of producers concerned with the item to be standardized as well as representatives of consumer and general interest.

When the committee has agreed on recommendations it lays them before the CSA's governing body for final decision.

When the standard is set up, a detailed report is published for the guidance of all manufacturers producing the item concerned. In order to qualify for use of the Canada Standard trademark (under the proposed legislation) it will be necessary for manufacturers to conform to the specifications of the published standard.

Tests For The Standard

In arriving at the standard, tests are made for appearance durability, workability. Tests might also take into consideration such factors as cost, safety, resistance to deterioration, perishability, packaging. Naturally all products covered by legislation as to safety factors, purity (in the case of foods,) etc., must conform to the legal standards so laid down.

And it might well be that one product would have to meet different standards for different markets. This would apply particularly to food and beverages which might be affected by different sets of climatic and atmospheric conditions.

It's emphasized that in no case has the Government any intension of imposing standards on industry. All applications for standards will have to come from industry itself.

Many arguments are put up for wider use of standards by industry.

Argues the CSA:

"Standards help manufacturers reduce expense by simplifying manufacturing operations, thus cutting losses, wastage and unnecessary tooling that goes with odd-lot manufacture. They educate by establishing quality goals for the guidance of both producer and consumer; they are invaluable to manufacturers entering new fields."

CANADA'S VETERANS

Of course there are jobs unsuitable for Ex-tuberculous Patients!

HOWEVER, *this is true of everybody. Many people do not have the training or background to fill certain positions. Others do not have the physical qualifications. So in this regard selective placement of those with healed tuberculosis is a normal business practice.*

The field of restricted occupations for the ex-tuberculous is a very small one when compared with the wide number of jobs in the Canadian economy, and it is a fact that there are mighty few jobs such veterans cannot handle, providing they have necessary training and aptitudes.

However, there are certain jobs in which the veteran who has had tuberculosis should not be placed. Here are the kinds of work he should not do:

1. Jobs where he will be exposed to inorganic dust, such as siliac dust in any form or jobs where he has to face a heavy concentration of organic dust, noxious odours or fumes which would be disagreeable to anyone regardless of his medical history.
2. Unusually heavy manual labour.
3. Jobs where the worker has sudden temperature changes or excess humidity to contend with.
4. Jobs where regular hours are not possible.

These are the only fields where the ex-tuberculous veteran should not be employed, and they are not so general as to interfere with normal employment practice.

On the other side of the picture, the man or woman with healed tuberculosis can handle a sufficient variety of positions to make him available to the vast majority of employers in the vast majority of occupations.

Write to the Department of Veterans Affairs for the booklet "EMPLOYMENT OF THE TUBERCULOUS". It will assist in proper placement.

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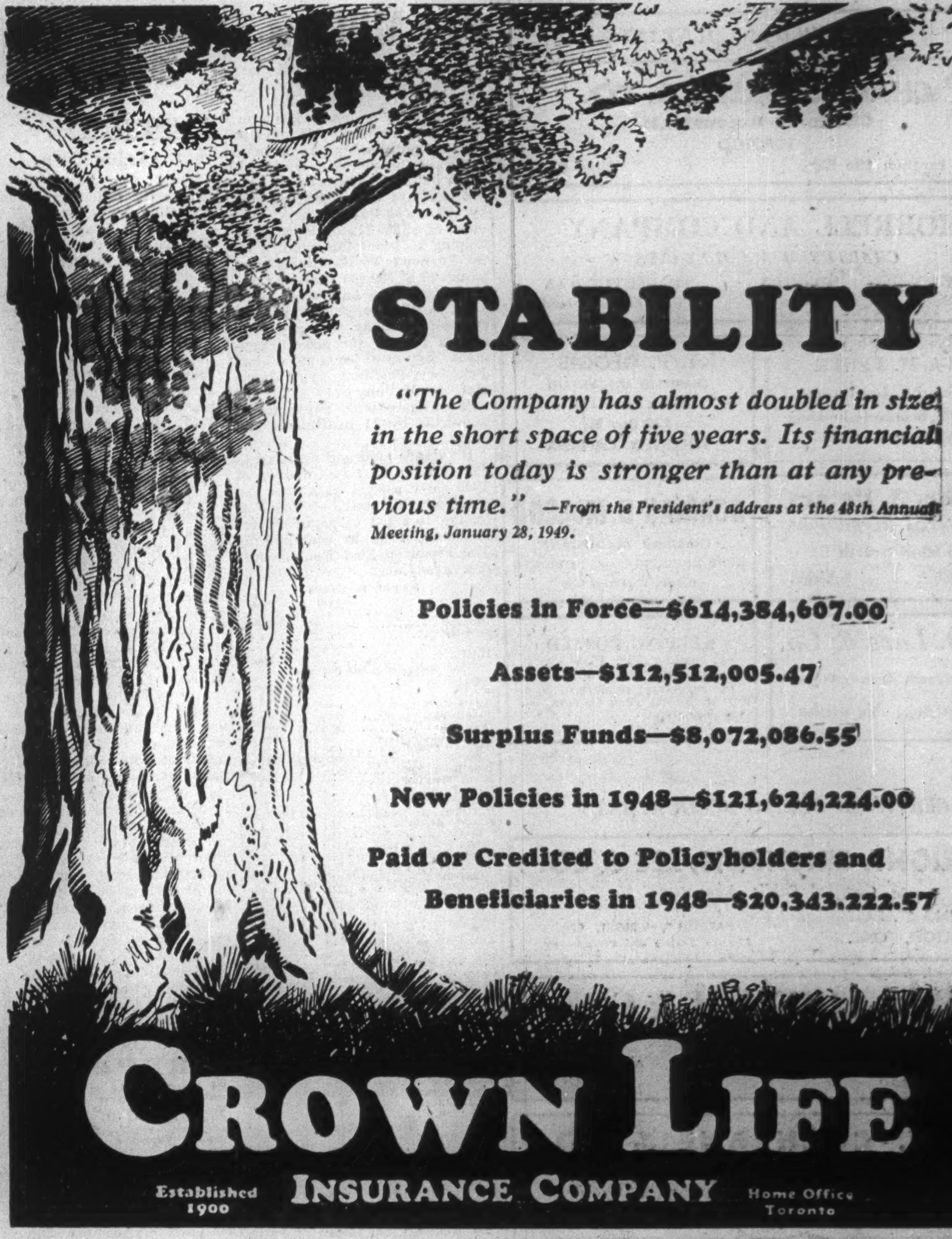

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trust executive of The Canada Trust Company, Head Office, London, Ont., who has just been appointed an assistant general manager of that company.

CROWSHORE PATRICIA GOLD MINES advises that Yam Securities has underwritten 300,000 shares at 8 cents, payable $16,000 cash and $8,000 by Mar. 1, and optioned 700,000 shares in nine blocks at prices ranging from 10 to 40 cents. Upon issue of the first block of 200,000 shares underwritten, issued capital will be 3,000,005 shares.

NEW JASON MINES has received payment for an additional 161,400 shares at 17 cents, 200,000 shares at 20 cents and 14,500 shares at 25 cents, bringing issued capital to 2,580,835 shares.

Provincial Roundup

Significant events in public affairs and business in the Canadian provinces

British Columbia

Pare Sales Tax?: Announcement from Ottawa that the province's grant in lieu of income tax and succession duty rights will reach $25 millions in the fiscal year 1949-50, raised additional hopes for some modification of the 3% provincial sales tax. However, the extra $2.3 millions from Ottawa would be small potatoes compared with the total take from the sales tax—estimated officially at $12 millions yearly, unofficially at a considerably higher figure. And business houses, which collect the tax for the Government, insisted that it would still be as much of a nuisance, even if the rate were cut by one third or by half. Other provincial revenues were also soaring; were likely to aggregate $85 millions for the year ending March 31 next, against Finance Minister Anscomb's budget estimate of $77.6 millions.

Mr. Speaker Hart: A new role was in store for John Hart, former Premier and Finance Minster. When the legislature convenes next Tuesday for its fifth session, he will become Speaker, succeeding Hon. Robert H. Carson, who has resigned due to ill health, after one year in office. (Carson received the post after appointment of Hon. Norman Whittaker to the British Columbia Bench). Hart, first elected to the legislature in 1916, became Finance Minister a year later; Premier and head of the Coalition Government in 1941; resigned that post in late 1947, but remained a member of the House.

Alberta

Province Build Hospital? The next move in the hospital impasse was up to the province, said J. Harper Prowse, Liberal leader. Recalling that Calgary and Medicine Hat had rejected provincial terms for hospital aid (The Financial Post, Nov. 13, Dec. 11, 1948), Prowse urged the Manning government to undertake construction of a $3 million institution in Calgary. Such a building, with 300 to 400 beds, he suggested, could be a duplicate of the University Hospital in Edmonton; would provide facilities for training nurses and internes; and could probably qualify for a federal health grant of $500,000. Calgary and Medicine Hat had balked at the province's stipulation that public ward rates be pegged at $1 a day—the municipality to make up the deficit.

Ready for Federal Fray: The federal election, whenever it came, would take no one by surprise in Alberta. Liberals of the province, in convention in Calgary this week (Feb. 2 and 3) laid plans to contest all 17 seats in the Dominion House. Progressive Conservatives had mapped their campaign three weeks earlier; Social Crediters already had nominated candidates in most constituencies, and the CCF said (not too convincingly) that it was ready any time.

• • •

Saskatchewan

Phone Rates Up: Telephone subscribers in Regina and Saskatoon will pay 25 cents to 75 cents more a month for service after this month, Telephones Minister J. A. Darling announced; said the boost, the first since 1933, is necessitated by higher operating costs. Individual residence phones will pay the minimum increase, business lines the maximum. Trunk rates on special business services will also be upped. The province anticipates increased revenue of $66,000 yearly in Regina, $48,000 in Saskatoon. Earnings of the Telephone Department for the year ending March 31, 1947 (latest for which statistics are available) totaled $1,362,000.

Farmers' Loans Up: Saskatchewan farmers during 1947-48 received 433 loans, totaling $1,210,750 from the Canadian Farm Loan Board (against 336, totaling $911,750 the previous year). Applications numbered 857, for a total of $2,511,564 (583 for $1,847,344), many of which had not been dealt with at the end of the fiscal year. Loans since the Board started operations in 1935 number 4,794, for an aggregate of $10,574,585; of which 2,603, totaling $7,130,573 have been paid off. Loans are made to pay debts, buy livestock, equipment and farm lands, erect buildings and make other farm improvements. Interest charged on a first mortgage up to $5,000 is 4½%; on a second mortgage, 5%. The first and second mortgage cannot exceed $6,000.

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Manitoba

Campbell Faces House: Douglas Lloyd Campbell was one of two new provincial premiers who would face a legislature in that role for the first time next week. There were many parallels between Campbell and Thomas Laird Kennedy of Ontario. Both were practical lifetime farmers; both had sat more than a quarter of a century in the legislature; both had served as ministers of agriculture, and, within a month, both had succeeded premiers who had moved on to Ottawa (Stuart Garson, now Minister of Justice, and George A. Drew, now Progressive Conservative leader, respectively). Campbell, at 53, was Manitoba's 14th premier; Kennedy, at 70, Ontario's 15th.

Floods Again a Menace: Heavy snowfalls threaten Winnipeg with serious floods two months hence, City Engineer W. D. Hurst warned City Council, pointing to a 40-inch fall up to mid-January, twice the normal figure for that period. A gradual spring thaw would minimize the danger; sudden warm weather, with an attendant rise in water from the South Dakota boundary and the Minnesota lake district, would heighten it. In last spring's floods, which did hundreds of thousands of dollars damage throughout the province, the Red River rose 23.4 feet above the datum line. Danger line for Winnipeg is 21 feet above datum, Hurst reported.

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Ontario

New House to Open: The province's 23rd legislature was to meet for the first time next week (Feb. 10). Party standing: Progressive Conservative 52; CCF 21; Liberal 13; Labor Progressive 2; Liberal Labor 1; vacant 1. The occasion would be the first in 34 years, in which a leader who had led his party to victory, would not head it in the House. (Sir James Whitney, Conservative, victorious in 1914, died three months later; was succeeded by Sir William Hearst). Meanwhile, Farquhar Oliver, Liberal leader, branded as "premature . . . probably wishful thinking," predictions that he might soon resign the post which he has held since May of 1947. Oliver, at 45, is a veteran of 22 years' service in the House.

New Game Preserve: The province last week end created a new Crown game preserve — the 96 acre Deerlick area in Norfolk county, two miles north of Delhi. Owners of the property, A. S. Wagner and F. S. Scarrow, have been actively encouraging conservation of woodland and wild life for seven years; have planted thousands of young trees, dammed a stream, and constructed a lake, abounding in trout, wild ducks and muskrat. The area is also rich in deer, foxes, and rabbits; and 40 pheasants and partridge were added to its stock last year.

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Quebec

Nicolet Votes Monday: A triangular by-election would end at the polls next Monday in the federal constituency (traditionally Liberal) of Nicolet-Yamaska, vacant through the death of Lucien Dubois. Paul Trahan, who ran as an Independent Liberal against Dubois in 1945, was now the party's official nominee; but was in turn opposed by an Independent, Romulus Manseau (who termed himself "true Liberal"). Renaud Chapdelaine, 37, Nicolet lawyer, was Progressive Conservative nominee. Meanwhile, it appeared that a provincial by-election scheduled nine days later in Levis would probably go by default to the Union Nationale party; Liberals, in the face of the vote in the general election last July, had decided not to enter a candidate. The seat was vacant through the appointment of J. T. Larochelle to the provincial Senate, the Legislative Council.

Boost Civic Debt?: Montreal's municipal debt was due to jump, for the first time in a decade, this year, experts believed. Since establishment of the new civic administration system in 1940, the debt had been progressively pared to $193,105,000; now indications were that it would rise at least $2 millions in 1949. By agreement with its bondholders, the city is obligated to pay off $7,603,619 of its indebtedness during the year; but to offset this City Council would probably have to borrow $10 millions (authorized more than a year ago) to cover expropriations for street widenings.

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New Brunswick

Session Coming Up: Premier J. B. McNair was holidaying in Jamaica this week (guest of Canadian-born Lord Beaverbrook at Montego Bay), as a preliminary to the coming legislature session. In the province's 43rd Assembly (21st since Confederation) the Liberal administration held 47 seats out of 52, as against 36 out of 48 before last June's general election. Public Works Minister W. S. Anderson was acting Premier during McNair's absence, with Provincial Secretary-Treasurer J. J. Hayes Doone pinch-hitting for the government leader in his secondary role of Attorney-General.

Big Building Year: A $3 million building peak in Saint John — three times the 1946 total, four times 1945's—was foreshadowed in preliminary figures for 1948. Major factors in the increase were the $1 million Rockwood Court housing project, and approximately $800,000 for an addition to the Vocational School. Building permits issued, averaged more than $100,000 monthly through April, May, June and July; reached their seasonal low of $41,000 in January.

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Nova Scotia

Regain Apple Market?: Annapolis Valley apple growers saw in the Speech from the Throne, read at the opening of Parliament last week, a hope that they might regain their U. K. market. The speech pledged government action "to remove specific obstacles to the continued sales of Canadian products in our traditional export markets." Commended R. J. Leslie, manager of the Nova Scotia Apple Marketing Board: "An agreement whereby the United Kingdom would purchase Canadian apples and pay for them in Canadian dollars would have the immediate effect of reestablishing this province's apple industry on a sound financial basis . . . the industry has labored under an almost impossible situation since loss of the U. K. market 10 years ago."

Big Highway Program: The province's highway improvement program made "notable progress" during 1948, Highways and Public Works Minister Merrill D. Rawding reported; listed contracts completed or under way, for grading of 125 miles of road, and paving of 83 miles; also contracts awarded for grading of a further 65 miles, thus enabling an early start on the 1949 program. Paving was complete on the long stretch of Trunk No. 6, the Sunrise Trail, between Toney River and Port Philip, on Trunk No. 10 between Middleton and Albany Cross; on the road from Lunenburg to Riverport; on the road from New Glasgow to Thorburn; and on various sections of highways in the vicinity of New Waterford, Dominion and Glace Bay. Rawding also reported progress on reconstruction of county highways, including elimination of many difficult curves and hills —an undertaking for which both funds and equipment had been lacking in the past.

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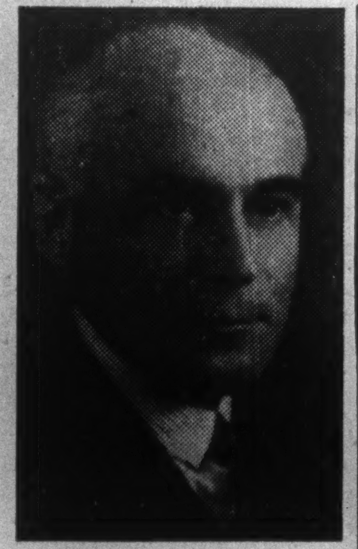
Prince Edward Is.

Blow to Fish Trade?: The Island's fish industry was up in arms over the 40% boost in express rates on fresh fish, effective Feb. 14; charged that such a "prohibitive" increase would nullify the benefits of recent improvements in grading and packaging. Premier J. W. Jones predicted a big swing from rail to truck and air traffic, in the handling of berries and poultry, as well as fresh fish. Simultaneously, the Transport Committee of the Maritime Board of Trade had applied to the federal Transport Board for establishment of a flat freight rate zone all across the Island. The proposed rate would apply on all potato shipments to points in Canada (outside the Maritimes) and the United States; and on certain other commodities.

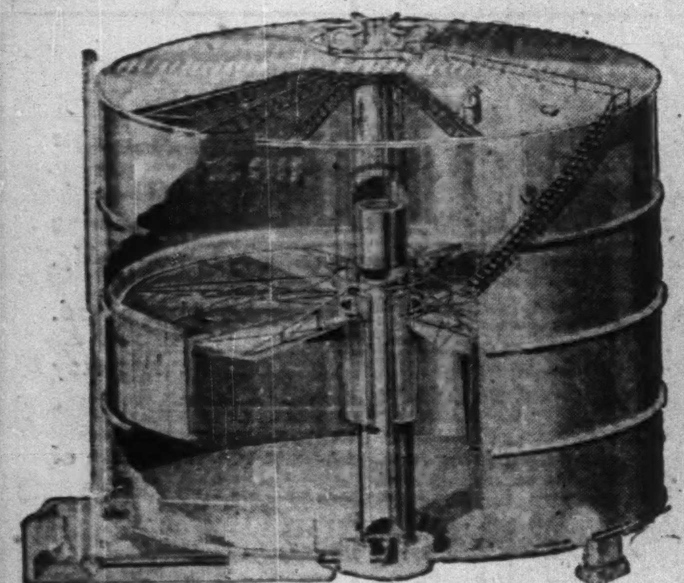
Lobsters Going West: More Island lobsters were likely to journey westward this year, in an effort to colonize Pacific waters. Three years ago a trial shipment of the crustaceans was transplanted to a lagoon off Nanaimo, B.C., and latest reports indicated that while many had escaped to the open sea, others were thriving along the coast. Food was one of the main problems; the lobsters apparently were not interested in the west coast herring, and it might be found necessary to transplant bait from the Atlantic coast.



CHARLES ST. PIERRE

has been elected a director of Banque Canadienne Nationale, of which he is general manager.

CRAIG BIT CO. net profit for the 12-week period ended Dec. 18, 1948 was $32,695. Current business is said gratifying, with the result that the company is considerably ahead of the previous year's figures. Capital expenditures of $16,000 were made during the period, representing about 25% of the expenditure currently planned for modernization. Selling price of the company's detachable bits was increased at Jan. 1.



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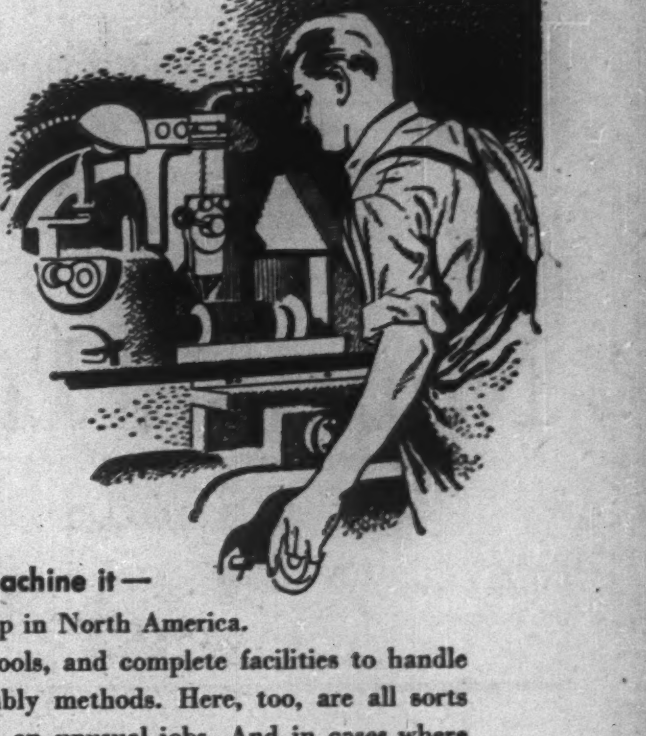
TERRAFLEX PLASTIC ASBESTOS FLOOR TILE

In Canada—



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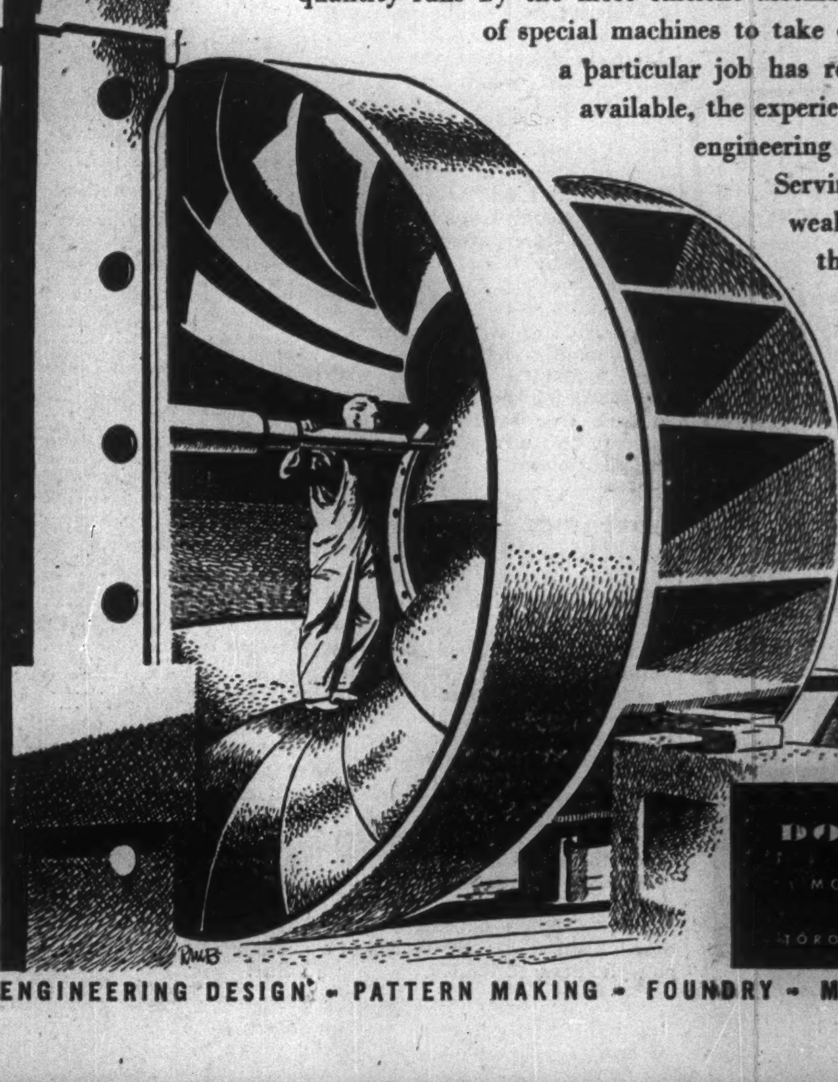

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How Can Adequate Fire Protection Be Provided Smaller Municipalities?

What can be done to ensure reasonable fire protection for smaller communities in Ontario?

Recently, a large part of the Ontario village of Sunderland was wiped out before fire departments from five nearby municipalities, combined with a local chemical pump could check the flames.

The local apparatus consisted of two chemical tanks on a light auto chassis. It was abandoned even before the neighboring fire departments arrived. The village had no water mains and the water had to be pumped from a nearby river.

Such occurrences are not frequent; but they do happen, and many persons are wondering what can be done about it

Many municipalities, even smaller ones, have some fire-fighting apparatus; but it would prove inadequate in many cases. Where there is no municipal waterworks system and no water mains, a fire engine is believed essential. But even that might prove insufficient in case of a conflagration.

In some quarters, establishment of a provincial fire department which could be called on to serve any municipality, has been suggested. Such a department could be broken up into platoons, stationed at strategic points to serve large areas.

Speed Essential

But opinion is, to say the least, divided as to whether this would meet the situation. Speed is one of the essential elements in fighting fire. Said one insurance company official:

"We might have one fire in eastern Ontario, as at Sunderland; the next conflagration might be in western Ontario. Unless there were several departments in each section of the province it would take too long to move them from one part to another; and the expense of having separate companies in all sections of the province to protect small communities would be enormous."

Two geographic obstacles to a provincial fire department seen by W. J. Scott, Ontario Fire Marshal are: 1 The method of settlement—Except in fairly rare circumstances and because of the way the country is settled, few municipalities in Ontario can get help except from their nearest neighbors to the east and to the west. Towns along No. 2 highway could help each other but even these are mostly only from the nearest town east or west. Then there are many sections which could not get help for any ordinary fire from other places. Examples of this are the Fort William-Port Arthur area, Sault Ste. Marie, Sudbury, Timmins and North Bay. Similar conditions could be found in other provinces.

2. Because of differences of types of construction, building materials and climate, fire brigade training methods and equipment often vary considerably.

Said Mr. Scott:

"In the Civil Defense Program of World War II, all phases of co-operation and co-ordination of fire departments were studied carefully. Outside of the larger cities, where the fire departments of suburban areas were dovetailed with the dominant department, we found only two sections of the province where working advantage arose through unified control of several fire departments. One was the Niagara Peninsula; the other, the Brantford-Guelph-Kitchener-Galt area. For these reasons, it would appear that a provincial fire brigade would not have the practical advantages which might at first appear."

The Ontario Fire Marshal added, "In this province our distances are too great to warrant any network of fire departments beyond the development and improvement of the municipal departments. Even in Great Britain with its great population in a small area, the National Fire Service was discarded in 1948 in favor of a county establishment. Our operating problems here would be even more difficult."

Would Standardize Equipment

Asked what measures he would suggest to meet conditions like those at Sunderland, Mr. Scott suggested the adoption of standard fire equipment by municipal fire departments, so that in case of serious fires there would be no obstacle in the way of municipalities using each other's equipment.

The use of different threads in hose couplings by different fire departments is one of the big obstacles at present. In Ontario, some 394 municipal fire departments use a total of 95 different threads. These may vary in the number of threads per inch, distance from the end, from the washer seat, etc. There are eight vital measurements in hose connections which should be standardized.

The Fire Marshals for Ontario and Quebec, personally, the Association of Canadian Fire Marshals and the Dominion Association of Fire Chiefs, have already asked the Canadian Standards Association to recommend a standard 2½-inch hose for Canada and to decide on a standard thread. Such a move, it is felt, would make mutual aid between all municipalities a real possibility.

At present there are two categories among Ontario municipalities as regards fire protection for neighboring municipalities or on an area or district basis:

1—Where one municipality has some fire protection and another has none, the Municipal Act now allows any municipality to go outside its own boundaries to help another. It sometimes happens, however, that in such cases a municipality refuses to pay for help rendered.

2—In cases where both municipalities have fire brigades, informal mutual arrangements have been made between fire chiefs to give aid to each other. This plan has worked and is working well now, it is claimed.

Could Order in Bulk

Apart from the fact that adoption of standard threads, etc., would make mutual aid between municipalities practical in a way which is impossible at present, it would be cheaper because parts could be ordered in bulk. Moreover, it would do away with much inconvenience, as, even where a fire department uses "adapters" to make it possible to join hoses, etc., with different thread sizes, these adapters may often be mislaid.

A fire insurance company official told The Financial Post that standardization of equipment with good fire fighting apparatus in every sizeable municipality was the best method of fire protection. He quoted the wide areas which would have to be covered as a difficulty in the way of a provincial brigade. Moreover, successful fire fighting, he declared, depended to some extent on knowledge of local conditions, terrain, water supply, etc. The latter might not be available. Moreover, he said, dropping chemicals from airplanes was not feasible.

Accordingly the need of standardization of hose diameters, threads in hose couplings, etc., appears to require the attention of fire department officials. The eight measurements vital to uniformity it is believed should be made compulsory on fire departments, if fire protection equipment is to be mobilized and used most effectively when conflagrations occur.

Sees New Capital Equipment Great Need of United Kingdom

Importance of providing new capital equipment for British industry was stressed by Sir William Goodenough chairman of Barclays Bank Ltd. in his annual report, for 1948. Need of achieving an equilibrium in the external balance of payments, of solving the dollar problem and of reducing government expenditures and thereby making possible a reduction in taxation were other points dealt with. Here are some extracts from his address:—

The course of events generally during the year, has not been without points of encouragement. For these we are indebted, to Marshall Aid, which changed the whole outlook for Western Europe by offering a narrow way out from a situation of grave economic difficulty. But while this has brought respite, we must have constantly in mind how brief is the period of grace in which to achieve equilibrium in our external balance of payments, and especially to solve the overriding and intractable dollar problem.

Restoring Economic Body

I am impelled to refer to one fundamental matter because of its special importance. The body economic, like the human body, must have its tissues constantly renewed, and this implies a continuing stream of fresh resources in adequate volume moving into productive investment. I do not suggest that there is any doubt about the importance in principle, of providing new capital equipment. The point I wish to emphasize concerns the increase in the scale of our industrial needs in this respect in relation to the amount of the national income, not merely in the next few years but, so far as one can see, for all time in the future.

We could have no more impressive evidence of the consequences of an insufficiency of new capital goods than has been given by the condition of our economy in the postwar years. There was no addition to the nation's total capital equipment in the six years of war: on the contrary, including all items, about a quarter of the whole of our national wealth was lost in the war period. With so much ground to make good, it is hardly surprising that progress should seem to be slow and painful, and bearing in mind that the national product is limited, it is easy to understand how it became necessary to decide upon a curtailment of total capital investment last year.

An Important Consideration

But although this decision had to be made at the time, the provision of new industrial capital equipment, as opposed to capital investment in the wider sense, loses nothing of its standing as a matter for the most serious preoccupation.

Our aim must be, at the earliest moment, to devote to industrial development a larger proportion of our national income than in years gone by, if need be, at the expense of other forms of new capital outlay, however desirable in themselves.

These conclusions throw into yet greater prominence the urgency of bringing about a reduction in the appalling rate of government expenditure, partly because of its diversion of national resources, but mainly because of the stultifying effect upon work and enterprise, throughout the whole range of personal endeavor, of the present level of taxation.

The real need is for the main body of taxation to be lightened.

COMPANY REPORTS

MANUFACTURERS LIFE INSURANCE CO. in its 62nd annual report for the year ended Dec. 31, 1948 shows substantial gains in insurance in force and total assets. Insurance in force was up $48 millions to $1,143 millions with total assets about $8.7 millions higher at $366.8 millions.

The company in its 1948 accounts converted all items in sterling and related currencies to Canadian dollars at a rate of $4.03 to the pound, all such items in 1947 report were converted at $4.86 2/3 to the pound. Appropriate changes were also made for converting items in other currencies. Acordingly, figures for 1947 and 1948 are not always comparable. Thus the new business in 1948 is computed at $158 millions, using the lower rate of exchange. This indicates a reduction of about 6% from the new business produced in 1947. But if allowance is made for currency conversion at the new rates, 1948 new business is almost equal to the 1947 figure.

Total receipts were slightly higher at $67.1 millions. Premiums current, and paid in advance, were the biggest single item at $45.3 millions, while interest and dividends contributed $12.4 millions. Policy payments were slightly lower.

Rate of interest earned on invested assets was slightly higher due partly to some increase in the general level of interest rates and to some change in the composition of invested assets.

	1948	1947
	$000	
Insurance in force ..	1,143,695	1,095,256
New insurance	158,266	168,418
Total receipts	67,168	66,627
Premiums	43,823	43,664
Prems. in advance ..	1,555	1,727
Int., divds., etc. ...	12,438	11,770
Policy payments	20,939	21,211
Amounts withdrawn .	4,444	4,414
Expenses & taxes ...	10,233	9,958
Reins. prems.	3,555	......
Sh'holders divds.	210	195
Written off assets	3,239	3,999
Incr. in ledger assets*	24,546	26,851
Liabs. to p'holders ..	336,593	2331,193
Other liabs., general .	7,001	6,925
Liabs. to sh'holders ..	2,502	2,493
Conting. reserves	6,000	5,250
Total assets	366,813	358,121
Surplus	14,717	13,260
Int. earned	3.79%	3.65%

*Allowing for new rate of exchange on Sterling and other assets.

BRITISH MORTGAGE & TRUST CORP. OF ONTARIO 1948 net profit amounted to $112,441 as compared with $101,466 in 1947. Liability to public increased to $10,417,933 ($9,309,524) and was secured chiefly by $6,466,495 ($7,835,143) in liquid assets, including stocks and bonds, and $5,998,106 ($3,386,054) in mortgages and sales agreements. Estates account stood at $980,150 at year end compared with $765,085 at end of previous fiscal year. Another $100,000 has been added to the general reserve fund, which now equals the company's paid-up capital of $1 million. This money, in part, was transferred from special reserves set up out of non-recurring profits. An extra dividend of $1 a share was declared, payable Jan. 3, 1949.

	1948	1947
	$	$
Liabs. to public, etc.*	10,417,933	9,309,524
Shareholders' equity .	2,092,279	1,989,838
*Secured by:		
Mtges. & sls. agree.	5,998,106	3,386,054
Realty for sale	1	31,028
Office premises	45,610	47,137
Liquid assets†	6,466,495	7,835,143
Total	12,510,212	11,299,362
†Includes stocks and bonds.		
Estates account	980,150	765,085
Earned per share	$11.24	$10.15
Paid	8.00+1.00	8.00+1.00

Actuarial Groups Amalgamate In New Society of Actuaries

Under arrangements completed in New York City recently, the Actuarial Society of America and the American Institute of Actuaries will be merged in a new organization — the Society of Actuaries.

Edmund M. McConney, of Des Moines, Iowa, president of the Bankers Life Co. was elected first president of the Society.

Initial membership of the new Society will be nearly 1,000, including the full memberships of the two older organizations which will cease to exist at the close of their spring meetings in May and June. Of the entire membership, over 100 are Canadians.

The merger will eliminate duplication of activities resulting from extensive overlapping of memberships in the two groups.

Benjamin T. Holmes, actuary of the Confederation Life Association, Toronto, has been elected a vice-president. Other Canadians on the new executive include;

GEORGE W. BOURKE, vice-president and managing director, Sun Life Assurance Co. of Canada, Montreal.

JOHN D. BUCHANAN, assistant general manager and chief actuary, London Life Insurance Co., London, Canada.

JOHN G. PARKER, president and managing director, Imperial Life Assurance Co. of Canada, Toronto.

J. GORDON BEATTY, chief actuary, Canada Life Assurance Co., Toronto, now president of the American Institute of Actuaries will be ex-officio a member of the Board of Governors through the annual meeting in 1951.

B. C. Electric Pref. Offered

MONTREAL (Staff) — Additional issue of $3 millions 4¾% cumulative redeemable preferred shares, par $100, of British Columbia Electric Co. was offered at par last week by Nesbitt, Thomson & Co., Wood, Gundy & Co. and Société de Placements Inc.

Proceeds are to be added to the general funds to enable the company to meet in part, expenditures in its expansion program. This program, begun in 1946, will be substantially completed in 1950, the prospectus states.

Consolidated net earnings for the 10 months ended Oct. 31, 1948, were $2,298,193, compared with $2,396,605 for the full year 1947, in each case after depreciation, interest (including dividends on British Columbia Electric Railway perpetual stock) and taxes. Annual dividend requirements of the preferred shares to be outstanding upon completion of present financing will be $860,000.

The capital program for the year 1949 involves expenditures on the commencement or continuation of the following projects according to the prospectus.

Bridge River hydro-electric development, second unit—62,000 h.p. (scheduled for operation, March, 1949)	$ 700,000
Third unit—62,000 h.p. (scheduled for operation, Oct., 1949)	1,550,000
Branch tunnel required for third unit	500,000
La Joie storage dam	1,200,000
Ruskin hydro-electric development—third unit (construction previously scheduled for commencement in 1950)	1,250,000
Enlargement of Horne Payne substation, construction of Sperling substation and work on other substations on lower mainland	3,200,000
Transmissions, distribution and other electrical expenditures—lower mainland	3,550,000
Transmission line from Nanaimo to Victoria, connecting with B. C. Power Commission line	1,200,000
General substations and distribution—Greater Victoria ..	600,000
Light and power extensions—Lower Mainland and Greater Victoria	2,800,000
Gas plants, structures, equipment, distribution and extensions—Greater Vancouver and Greater Victoria	1,300,000
Urban transportation, Greater Vancouver and Greater Victoria, including principally additional buses, trolley coaches, trolley lines and garaging facilities	4,250,000
Interurban railway, including conversion of Fraser Valley lines to Diesel electric	650,000
Interurban bus transportation, including principally terminals and garaging facilities	750,000
Other capital expenditures	500,000
	$24,000,000

Capitalization, following issue of the additional preferred shares will consist of $32,300,500 series A and $9.9 millions series B 3¼% mortgage bonds due 1967 and $17 millions 3¾% series C bonds due 1968; $12 millions 4¾% and $8 millions 4¼% preferred shares; 1 million class A and 1 million class B shares, no par value.

November Life Benefits Are Over $18 Millions

Life insurance companies in Canada in November, 1948, paid out $18,373,059 to living policyholders and to beneficiaries of policyholders who died, bringing the total for the first 11 months of 1948 to approximately $179 millions. Disbursements for all 1947 were about $189 millions.

Broken down by classes, the November payments were:—death claims, including accidental death, $7,824,336; matured endowments, $2,763,353; disability benefits, $297,809; annuity payments, $523,257; policies surrendered, $3,836,331; dividends to policyholders, $3,128,173.

Staff Changes

The Bank of Montreal announces the following staff changes:

L. J. REGER, of head office, to be assistant manager, foreign exchange department, head office, Montreal.

R. H. MACLEOD, manager, St. George's, Nfld., to be manager, Canso, N.S.

C. S. GRENACHE, manager, Lunenburg, N.S., to be manager, Gage Ave. & Barton St., Hamilton, Ont.

W. J. FLOYD, manager, St. Thomas, to be manager, London.

W. W. BAKER, manager, Mahone Bay N.S., to be manager, Lunenburg, N.S.

K. D. McDONALD, manager, Canso, N.S., to be manager, Mahone, Bay, N.S.

P. K. MOWAT, manager, Upper Town, Quebec, to be manager, Girouard & Monkland Aves., Montreal.

J. N. ROUSSEAU, formerly manager, St. John's Gate, Quebec, (now closed), to be manager, Upper Town, Quebec.

G. W. A. PINCOMBE, assistant accountant, Sydney, to be manager, St. George's, Nfld.

E. D. C. COOKE, manager, Gage Ave. & Barton St., Hamilton, appointed manager St. Thomas.

* * *

The Bank of Nova Scotia announces the following staff changes:

G. A. STEWART, to be manager, Sarnia, Ont.

G. A. BAILEY, to be assistant manager, Park & Fairmount, Montreal.

C. S. ROBERTSON, to be assistant manager, Moncton, N.B.

E. B. CARSON, to be accountant, Moncton, N.B.

R. W. NICKERSON, to be assistant accountant, Moncton, N.B.

* * *

The Royal Bank of Canada announces the following staff changes:

W. A. EBERMAN, to be manager, Alsack, Sask.

F. M. LONERGAN, supervisor's department, Toronto, to be manager, Bay & Temperance, Toronto.

H. B. McLEISH, manager, College & Bathurst, Toronto, to be manager, Pape & Danforth, Toronto.

G. E. Carrothers, manager, Locke & Main, Hamilton, to be manager, Niagara Falls Centre.

F. S. CHESLEY, accountant, Wolfville, N.S., to be manager, Clarke's Harbor, N.S.

H. S. BEVERIDGE, accountant, Medicine Hat, Alta., to be manager, Holden, Alta.

R. G. C. PAGETT, to be accountant, Kingston, Jamaica.

A. J. P. JOSS, to be accountant, Market, Hamilton.

E. A. WOODMAN, Barton & Wentworth, Hamilton, to be accountant, Mount Hamilton, Hamilton.

J. T. CONLIN, Strasbourg, Sask., to be accountant, North Battleford, Sask.

FIDELITY Insurance Company of Canada

Consult your agent or broker as you would your doctor or lawyer

TORONTO

HIGHLIGHTS from our 50TH ANNUAL REPORT

Payments to Policyholders $1,132,763.26

Life Insurance in Force $116,154,453.00

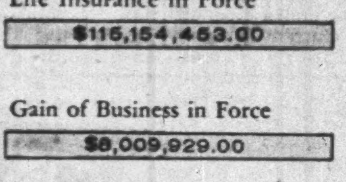
Gain of Business in Force $8,009,929.00

Assets $21,916,127.92

Surplus and Contingency Reserves $1,053,228.56

The National Life Assurance Company of Canada

Home Office Toronto



Established 1897

AS-49

An insurance policy by itself won't keep your power plant and boilers running in safe condition. But our inspections—which accompany the insurance afforded by this Company—can help you with that job.

Our experts are trained in the exacting work to which we assign them. And they are available, too, for aiding policyholders in times of emergency.

We'll Help You Keep That Plant Running

► Ask your broker or agent.

20-7

The Boiler Inspection and Insurance Co. of Canada

New York Life Insurance Company announces the appointment of

Fred A. Wade, C.L.U. as Superintendent of Agencies of the Canadian Division with headquarters at 320 Bay Street, Toronto

NEW YORK LIFE Insurance Company

A MUTUAL COMPANY—SERVING CANADIANS SINCE 1868

MEDLAND & SON

GENERAL INSURANCE AGENTS AND BROKERS SINCE 1876

371 BAY STREET, TORONTO—PHONE EL. 3332

IF — "MAKING A BETTER MOUSETRAP"

is the same as playing a leading part in offering the insuring public better service, then we qualify.

Our FIRE PREVENTION SERVICE puts us in the lead.

We help to prevent fire loss, and no loss may mean lower premium cost.

We buy insurance for our clients under the eye of experts.

"Representing the one who pays the premium"

IRISH & MAULSON LIMITED

Insurance Brokers, Fire and Accident Prevention Inspection Service since 1904

20 Victoria St. TORONTO, Ont. ELgin 6401

606 Cathcart St. MONTREAL, Que. PLateau 8595

The Monarch Life Reports

(43RD ANNUAL STATEMENT)

				1948
NEW BUSINESS	increased	9.4%	to	$ 25,524,078.00
BUSINESS IN FORCE	increased	13.3%	to	$145,033,738.00

BALANCE SHEET (December 31st).

ASSETS:

Bonds and Debentures	$ 20,959,623.64
Preferred Stocks	$ 5,263,715.86
Common Stocks	$ 1,367,509.57
Authorized Market Values exceed Book Values by a Substantial Amount.	
Mortgages and Real Estate	$ 999,362.89
Loans on Policies	$ 1,465,595.23
Cash in Banks and on Hand	$ 213,099.14
Other Assets	$ 557,414.33
TOTAL ASSETS	$ 30,826,320.66

LIABILITIES:

Policy Reserves	$ 24,593,845.00
Policy Claims Awaiting Proof	$ 127,939.09
Policyholders' Funds	$ 2,216,180.33
Staff Pension and Insurance Fund	$ 321,980.63
All Other Obligations	$ 134,282.11
	$ 27,394,227.16
Additional Funds for Protection of Policyholders and Beneficiaries	
Accrued Profits to Policyholders	$ 514,500.00
Capital and Shareholders' Account	$ 407,825.74
Reserve for Unreported Policy Claims	$ 100,000.00
Contingency Reserve	$ 1,500,000.00
Surplus above Reserves	$ 909,767.76
	$ 3,432,093.50
TOTAL LIABILITIES	$ 30,826,320.66

G. C. Cumming, *General Manager* E. J. Tarr, *President*

The Monarch Life Assurance Company

HEAD OFFICE — WINNIPEG

BOOKS FOR BUSINESSMEN

DEDUCTIONS UNDER THE INCOME WAR TAX ACT: A Return to Business Principles, by F. E. LaBrie and J. R. Westlake. Published by University of Toronto Press — Saunders, Toronto, 119 pages. Price, $2.75 paper).

This is the third volume in the U. of T. studies, legal series, following "The Law of the Taxing Power in Canada" and "The Right to Trade: An Essay in the Law of Tort."

The principles involved in the determination of what constitutes a proper deduction in computing income for the purposes of taxation under the Canadian Income War Tax Act have become increasingly unintelligible to businessmen and lawyers alike, according to the authors.

In this study they examine trends in the differences between judicial and business principles in the computation of net income. They maintain the development of these differences was neither inevitable nor natural, and appear to be hopeful that the judicial line will tend to become more consistent with what they regard as general business practices.

20TH BOSTON CONFERENCE ON DISTRIBUTION — 1948. Published by Boston Conference on Distribution, 80 Federal St., Boston 10, Mass. 93 pages. Price, $3.90.

Convened under sponsorship of the Boston Chamber of Commerce's retail trade board, this year's conference considered the problems of distribution in "a changing world." Twenty-seven speakers addressed this national forum on a wide variety of topics directly concerning business —from Newfoundland's position in world trade to trends in women's fashions. Their remarks are fully covered in the conference report.

Two of the conclusions reached by the forum: (a) there is a great job of public relations to be done for the system of private enterprise, and for the distribution phase of that system, and (b) international trade relations must be built up more effectively.

Co-operating organizations in the conference number 29 university business administration schools, 32 national and state trade associations, 23 New England chambers of commerce and other trade groups.

TWO AND TWO: A Study of Economic Superstitions, by P. C. Armstrong. Published by J. M. Dent & Sons, Toronto. Illustrated by Victor Child. 127 pages. Price, $2.50.

Mr. Armstrong, well-known Montreal economic consultant and for many years associated with the CPR, claims his career has been directed almost entirely by curiosity, which probably accounts for his provocative and stimulating approach to economic problems.

He believes the "great illusion" of today is that "men can be made wise, good and wealthy by law. It is the illusion which, at this moment, threatens to destroy civilized society."

From this standpoint he gives his views on price fixing, subsidies, housing, profit, food, income and its redistribution, planned economy, cyclical budgeting, saving, foreign exchange control. He presents his views in a simple and lucid style, in concrete rather than abstract concepts.

"Two and two make four," Armstrong argues. "That is a rule which remains unaltered even by the most 'advanced' thinkers, although a great deal of our 'advanced' thinking can be explained only by the assumption that two and two make at least a little more than four—perhaps 4.1."

The object of his studies of examples of superstitious ignorance, often referred to as "economic theories," he remarks in his preface, is to demonstrate that the old rule concerning the total to be obtaining two and two still stands.

LABOR RELATIONS IN CANADA—1948: Handbook of Labor Laws of the Dominion and Provinces, by Gerald D. Sanagan. Published by Richard De Boo, Ltd., 137 Wellington St. W., Toronto. Price, $7.50.

This is the first handy reference book ever published on labor relations legislation in Canada. As suoh it offers a valuable aid to personnel managers, union leaders and all who have to deal with this often complex problem, what with nine separate provincial labor codes and a federal law.

The writing is concise, simple and to the point, eliminating a lot of the legalistic mumbo-jumbo with which the law is necessarily wrapped. No matter what you want to find out and no matter where, the answer can be reached quickly and accurately through a detailed index, and subheadings at the beginning of each chapter.

If it is found necessary to pursue a point to its legislative origin, references are supplied on virtually every important item, showing where the exact wording can be found in statutes, regulations or orders.

The author, Gerald D. Sanagan, a barrister is editor of the Dominion of Canada Labor Service, a month-by-month report on new labor laws and relevant developments. An important feature is that the book is as up to date as possible, stating the law as it stood at last Oct. 28.

ROYAL CANADIAN INSTITUTE CENTENNIAL VOLUME, edited by W. Stewart Wallace. Published by Royal Canadian Institute, 135 St. Clair Ave., Toronto. 232 pages; 17 illustrations.

Founded in 1849, the Royal Canadian Institute is now the oldest scientific society in Canada. It began as a professional society of engineers, architects and surveyors; and aimed to provide Toronto with a museum and scientific library. The former is now part of the Royal Ontario Museum, the latter, part of the university of Toronto library.

The R.C.I. naturally has passed through several phases, and its public lectures continue to perform a valuable service in bringing before the public the latest results of scientific research, and the part science plays in modern life.

The centennial volume contains 10 articles reviewing the past century of science in Canada, from anthropology to zoology, written for the layman by experts in each field.

The book also contains a sketch of the history of the Institute since its founding.

BRITISH PREFERENCE IN CANADIAN COMMERCIAL POLICY, by Douglas R. Annett. Published by Ryerson Press, Toronto. 188 pages; 28 tables. Price, $3.50.

Latest volume in the "Studies in International Affairs" series prepared by the Canadian Institute for International Affairs, this book deals with a problem in international commercial relations — the practice in tariff differentiation or discrimination.

Canadian experience in the British Imperial Preference system provides the laboratory in which the study of the problem proceeds.

The author's primary aim is to determine, in the light of freer multilateral trade objectives, whether and at what cost the principle of British preference can be eliminated from Canadian commercial policy.

Although the author champions the cause of economic internationalism, he warns against excessive and exaggerated use of the general free trade principle in passing judgment on the economic justification of preferential trade policies.

The author was formerly an economist with the Department of Trade and Commerce, is now with Equitable Life of Canada.

ANT HILL ODYSSEY, by William M. Mann, McClelland & Stewart, Toronto, 300 pages, illustrated with maps and photos. Price, $4.

The adventurous life and travels of the director of the U. S. National Zoo at Washington. He has collected bugs, snakes and small animals all over the world and especially in the warmer central belt around the middle. The young lad interested in outdoors, his father who likes to visit strange places without leaving his comfortable fireside, and the naturalist will all enjoy this book.

BANKING, by W. J. Thorne. Published by Oxford University Press, Toronto. 105 pages. Price, $1.25.

In this latest volume in the economics and business section of the Home University Library, the author has designed his text for those who want to learn the rudiments of how British banking has evolved and how the functions performed by bankers fit into the national economy of Britain.

Thorne briefly outlines the history of banking in Britain, discusses the gold standard and its passing, the Bank of England from the Norman era to nationalization, and devotes a chapter to the banker, the customer and the law.

This is not a detailed thesis on British banking, and is not intended to be; it does give the reader a quick, concise look at the part banks have played and now play in Britain's history and life.

JAMES MUIR

vice-president and general manager of the Royal Bank of Canada, has been elected a director of Montreal Trust Co.

'International Air Waybill' Speeds TCA Oversea Cargo

MONTREAL (Staff)—Further cutting of red tape in overseas air cargo shipments is promised by Trans-Canada Air Lines with the statement that the new "international air waybill" will be available over the entire system soon. This means that one piece of paper will cover the goods from shipper to consignee in virtually every part of the world.

By agreement with other members of the International Air Transport Association, it will be possible for Canadian shipments to move on one through airbill over any number of connecting air lines to destinations served by these operators.

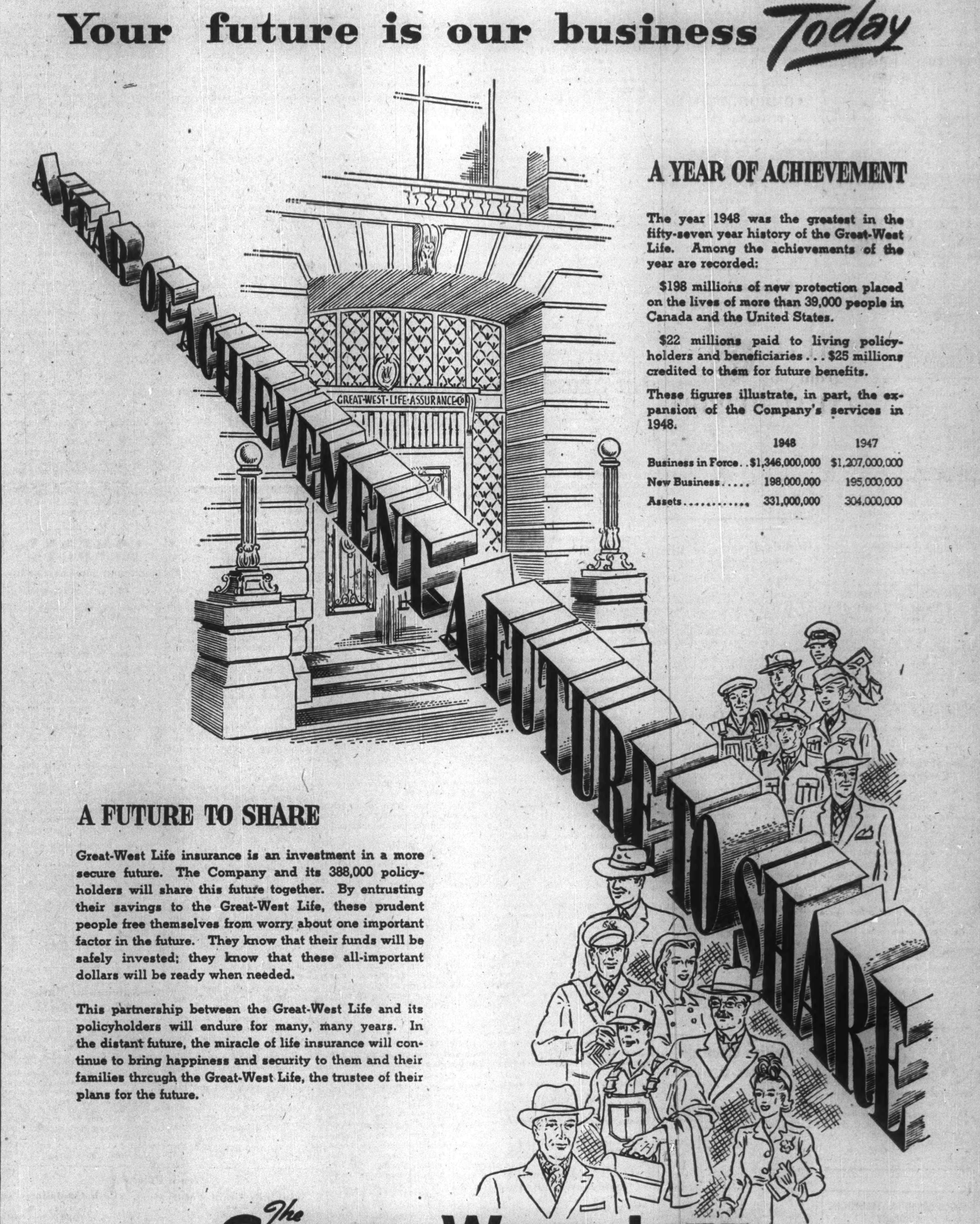
TCA has already tested the effectiveness of the new shipping document on its Bermuda and West Indies routes, and terms it the most successful and satisfactory freight document yet devised. Airlines say the air waybill puts them one up on the water carriers, since the closest waybill up to now has been one covering goods from shipper to an ocean port in the country of destination.

In the overseas carriage of goods by air, there is no distinction between air express, air cargo and air freight. An "international air cargo" service is provided, regardless of weight involved. There are only two international air cargo rates—one on shipments of less than 100 lb., the other on all heavier consignments. The latter rate is normally 25% lower than the former. Minimum weight on which rates are based is two kilograms or 4.4 lb. In addition, special commodity rates are quoted from newapapers and gift foodstuffs.

In the domestic air express and air cargo traffic, the rates are calculated on a graduating scale.

In 1948, TCA showed a hefty boost of 110% in its air cargo business in terms of ton-miles. In domestic service it carried 3.7 million lb. of cargo and 667,000 lb. in the overseas flights. The figure for domestic cargoes included some 600,000 lb. of food and other essentials, moved in the three-week flood period in British Columbia last summer.

CALLINAN FLIN FLON MINES has called the annual meeting for Feb. 3 when shareholders will receive results of the gravimetric survey and diamond drilling program done last year. Current assets were $23,356 and liabilities $1,555 at Dec. 31, 1948.



DIVIDEND NOTICES

BANK OF MONTREAL

ESTABLISHED 1817
DIVIDEND NO. 343

NOTICE is hereby given that a DIVIDEND of TWENTY CENTS per share upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY the FIRST day of MARCH next, to Shareholders of record at close of business on 31st January, 1949.

By Order of the Board.
GORDON R. BALL,
General Manager.

Montreal, 11th January, 1949.

LOBLAW GROCETERIAS CO. LIMITED

NOTICE is hereby given that a quarterly dividend of 25 cents per share on the Class "A" shares and a quarterly dividend of 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending February 28, 1949, payable on the 1st day of March, 1949, to shareholders of record at the close of business on the 2nd day of February, 1949. The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board.
R. G. MEECH,
Secretary.

Toronto, January 21, 1949.

DONOHUE BROTHERS LIMITED

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of $0.25 per share has been declared on the ordinary shares of the Company for the quarter ending 28th February, 1949.

The said dividend will be payable on 1st March, 1949, to shareholders on record as at the close of business on 15th February, 1949.

By Order of the Board.
A. EMILE BEAUVAIS, C.A.,
Secretary.

AUNOR GOLD MINES LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that an interim dividend of Five Cents (5c) per share, payable in Canadian funds, has been declared by the Directors of Aunor Gold Mines Limited, payable March 1st, 1949, to Shareholders of record February 10th, 1949.

By Order of the Board.
J. R. BRADFIELD,
Secretary.

Toronto, Canada,
January 28, 1949.

Diversified Mining Interests (Canada) Limited

(No Personal Liability)

NOTICE TO SHAREHOLDERS:

Holders of shares in the above named Company are requested to have their share certificates registered in their own name so that they may receive important notices and information concerning the affairs of the above Company.

This may be done by sending the share certificates properly endorsed to the Company's Registrar and Transfer Agent, The Prudential Trust Company Limited, 217 Bay Street, Toronto, Ontario.

By Order of the Board.
J. J. BUSSIN,
Secretary.

January 26th, 1949.

Robinson, Little & Company, Limited

WINNIPEG, MANITOBA

Class "A" Shares—Dividend No. 9

NOTICE is hereby given that a dividend of twenty-five cents (25c) per share on the Class "A" shares of the Company has been declared payable on the First day of March, 1949, to holders of record at the close of business on the 15th day of February, 1949.

By Order of the Board.
HERBERT J. SADLER,
Secretary.

Dated at Winnipeg, Manitoba,
January 31st, 1949.

Lake of the Woods Milling Company Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of 1¾% has been declared on the Preferred shares of the Company, payable on March 1st, 1949, to shareholders of record at the close of business on February 1st, 1949.

By Order of the Board.
D. A. MacINNES,
Secretary.

NOTICE IS HEREBY GIVEN that a dividend of 40c per share has been declared on the outstanding shares of the Common Stock of the Company, payable on March 1st, 1949, to shareholders of record at the close of business on February 1st, 1949.

By Order of the Board.
D. A. MacINNES,
Secretary.

Borden's

DIVIDEND No. 156

An interim dividend of sixty cents (60¢) per share has been declared on the capital stock of *The Borden Company*, payable March 1, 1949, to stockholders of record at the close of business February 11, 1949.

E. L. NOETZEL
Treasurer

January 25, 1949

ANGLO-CANADIAN TELEPHONE COMPANY

Class A Dividend

NOTICE is hereby given that a dividend of One and One-Half percent (1½%) has been declared on the Class A Stock of the Company, payable March 1, 1949, to Stockholders of record at the close of business on February 10, 1949.

By Order of the Board.
CAMERON HOUGH,
Secretary.

Montreal, January 4, 1949.

DIVIDEND NOTICES

Photo Engravers & Electrotypers Limited

DIVIDEND NO. 48

NOTICE is hereby given that a Dividend of Seventy-five cents (75c) per share, plus a bonus of Seventy-five cents (75c) per share, on the outstanding no par value shares of the Company has been declared payable March 1st, 1949, to shareholders of record at the close of business on February 15th, 1949. The Transfer Books will not be closed.

By Order of the Board,
JAMES RICHARDS,
Secretary-Treasurer.

Toronto, Ont.,
January 28, 1949.

ZELLER'S LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following Dividends have been declared by the Directors of Zeller's Limited for the quarter ending April 30th, 1949.

On the 6% Preferred Shares, the regular one and one-half (1½) per cent (37½ cents), payable May 1st, 1949, to Shareholders of Record April 15th, 1949.

On the 5% Preferred Shares, the regular one and one-quarter (1¼) per cent (31¼ cents), payable May 1st, 1949, to Shareholders of Record April 15th, 1949.

On the No Par Common Shares, 50 cents per Share, payable May 1st, 1949, to Shareholders of Record April 15th, 1949.

By Order of the Board.
T. E. McDERMOTT,
Treasurer.

COMMOIL LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of ½ cent per share has been declared on the outstanding no par value shares of the Company, payable February 25th, 1949, to shareholders of record at the close of business, February 11th, 1949. The transfer books of the Company will not be closed.

BY ORDER OF THE BOARD,
G. J. McKAY,
Secretary.

January 28th, 1949.

Canadian Car & Foundry Company, Limited

Notice is hereby given that dividend No. 12 of twenty-five cents (25c) per share on the Class "A" stock and dividend No. 36 of twenty cents (20c) per share on the Ordinary stock of the company, have been declared, for the three months ending February 22, 1949, payable February 22, 1949, to shareholders of record January 31, 1949.

By order of the Board.
D. H. FORSYTH, F.C.I.S.
Secretary.

Montreal, Canada
January 24, 1949.

Dupuis Freres, Limitee

Preferred Dividend Notice
No. 10

Notice is hereby given that a dividend of Thirty cents (0.30) per share, being at the rate of 4.80% per annum, has been declared on the $25.00 par value Preferred Stock of the Company for the three month period ending January 31st, 1949, and payable on February 15th, 1949, to shareholders on record as at January 31st, 1949.

By Order of the Board,
ROLAND CHAGNON,
Secretary-Treasurer.

January 25th, 1949.

Eddy Paper Company Limited

NOTICE OF DIVIDEND
ON CLASS A SHARES

The Board of Directors has declared a quarterly dividend of 25 cents ($.25) a share on the outstanding Class A Shares of the Company, payable March 15, 1949, to shareholders of record at the close of business on February 15, 1949. Cheques in payment will be mailed to the shareholders of record. Stock transfer books will not close.

R. F. CALDWELL,
Secretary.

Hull, Canada.
January 26, 1949.

Proprietary Mines Limited

DIVIDEND NO. 45

NOTICE is hereby given that a Dividend of five cents per share has been declared on the issued capital stock of the Company, payable in Canadian Funds on March 10th, 1949, to shareholders' of record at the close of business on February 10th, 1949.

By Order of the Board,
J. INGRAM,
Secretary-Treasurer.

Toronto, Ont., January 21st, 1949.

British Columbia Packers Limited

NOTICE IS HEREBY GIVEN that the Directors of British Columbia Packers Limited have declared a dividend of 37½c per share on its Convertible Non-redeemable Class "A" Shares, payable on March 15, 1949, to shareholders of record at the close of business on February 22, 1949.

NOTICE IS HEREBY ALSO GIVEN that the Directors of British Columbia Packers Limited have declared a dividend of 25c per share on its Class "B" Shares, payable on March 15, 1949, to shareholders of record at the close of business on February 22, 1949.

NOTICE IS HEREBY ALSO GIVEN that the Company's Registers of Transfers in respect of its Class "A" and Class "B" Shares maintained at the office of The Canada Trust Company, in the City of Vancouver, B.C., and the Company's Branch Registers of Transfers maintained respectively at the office of The Canada Trust Company in the City of Toronto and at the office of Chartered Trust and Executor Company in the City of Montreal will be closed from and including the 23rd day of February to and including the 1st day of March, 1949.

DATED at Vancouver, B.C., this 26th day of January, 1949.

By Order of the Board,
A. HAMILTON,
Secretary.

See Compulsory Marketing Of Coarse Grains Nearer

Special Correspondence

WINNIPEG—Possible compulsory marketing of oats and barley, as well as wheat, was extensively discussed in Saskatoon during sessions, both public and closed, of western farm organizations and of the Canadian Federation of Agriculture. These were followed, on Jan. 31, by a closed conference between western organizations and the premiers of the three Prairie provinces.

At the close a statement was issued indicating that the premiers and representatives of farm organizations would seek an interview at Ottawa with Trade and Commerce Minister C. D. Howe, and other members of the Cabinet, to explore the possibility of having the Wheat Board Act in this connection as a producer's agency. In explanation, the following resolution was quoted, which had been passed by the CFA:

"That a joint effort be made to enable the Canadian Wheat Board to be the sole marketing agency of coarse grains. And that any legislation giving the Board the same exclusive power over the marketing of other grains as it now exercises over wheat, shall be based on the principle that the Board shall be an agency operating for benefit and in the interest of grain producers, with a duty to sell grain for the best available price whether in export or domestic markets, and shall not be used as an instrument of government to control domestic policy, but full recognition of the importance of the livestock industry shall be given by the Government of Canada, and that the Government shall take adequate measures to establish necessary reserves of feed grains whenever such action is deemed necessary."

Garson Stand Upheld

Such a declaration implies, in effect, support of the position taken by Hon. Stuart Garson, as premier of Manitoba, last year, when he refused to introduce provincial legislation to complement the Dominion Act passed last year which would, had it been proclaimed, put oats and barley under the Wheat Board. Mr. Garson thought provincial legislation unnecessary from a constitutional standpoint but also contended that it would be very dangerous to western interests to have the Wheat Board so act because prices of feed grain sold domestically might be subject to political pressure from the east. Apparently that viewpoint is now officially accepted by western farm organizations, anxious to enjoy the full advantages of the American market from which their grain was long excluded by embargoes and other restrictions on export.

Reasons for such uneasiness are seen in demands from eastern farm organizations that the Wheat Board take over oats and barley, because eastern farmers see in such a move a step which might stabilize prices to their advantage.

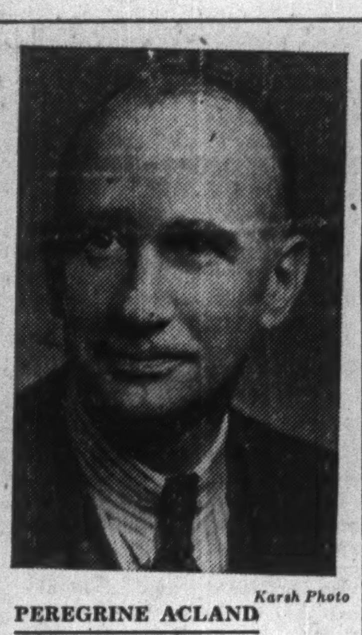
Except for one instance, discussions of the subject by the CFA were held behind closed doors. The only public reference to the subject came, apparently contrary to planning, when an Ontario representative spoke in favor of a clause included in recommendations from the Dairy Farmers of Canada, demanding Wheat Board operations in coarse grains.

When the Dominion legislation was passed last session, Mr. Howe laid down two conditions for putting it into operation. One was concurrent provincial legislation, which was passed only by Saskatchewan, with Manitoba and Alberta abstaining. The other was that eastern and western farmers agree through the CFA on a formula to be used for the domestic price of coarse grains. Apparently the Federation has been unable to meet that condition, with the westerners insisting that they must at all times have the full market value of their grain.

Observers see in the fact that the premiers of Alberta and Manitoba now seek a discussion at Ottawa, an implication that under certain conditions concurrent legislation might be forthcoming in those provinces. They also infer that no such legislation would be passed unless the Dominion Act is amended to put beyond question the obligation of the Wheat Board to serve the interests of producers, and not of consumers.

Doubts are voiced here, as to whether Parliament would agree to any change, as eastern members who took part in last year's discussion were insistent upon the benefits expected by their constituents.

Members of the trade foresee much trouble for the Wheat Board if it is forced to accept this additional responsibility. That is not only because farmers either east or west, might be dissatisfied with the price structure. It is mainly because the present trade machinery by which western grain is placed in the hands of eastern consumers, would be effectively destroyed. Lacking the protection of a hedging market, dealers would be unable to take the risk of placing and holding stocks in eastern positions. To replace the present trade structure, the Wheat Board, before long, might be forced into conducting a retail business in oats and barley in Eastern Canada, instead of disposing of such grain in cargo lots, as it now does with wheat.



Karsh Photo

PEREGRINE ACLAND

for more than six years a senior member of the secretariat of the Prime Minister of Canada, has been placed in charge of the new Toronto branch office of Day, Duke & Tarleton, Inc., New York.

Life Insurance Company Executives Stress Value of Thrift, Co-operation

At life insurance company annual meetings recently, company executives stressed the value of life insurance as a means of saving, of providing for one's old age and as a force tending to strengthen the democratic way of life. Here are extracts from their addresses:

E. G. BAKER, president, the Canada Life Assurance Co.

In this present-day world of change and anxiety, life insurance is a potent factor making for confidence and stability.

The situation in which all of us find ourselves has been well summarized by a friend of mine, as follows:

"Science, by conquering time and space, has molded the world into a neighborhood and ushered in an era of rapid change. Mankind, unprepared for this abrupt speed-up in its time-table of evolution, has been caught split into differing stages of economic, social, and political development, and divided into hostile racial, religious, and national groups. The result has been conflict and mass suffering on a scale unprecedented in history.

"We are in a race against time. The big question of our age is not whether the world will be one, but rather, just what form the one world will take when it comes. Are we on the road to totalitarianism or democracy, regimentation or freedom, materialism or spirituality? This big question is being decided now."

In this state of affairs, life insurance is making an extremely important contribution at the social-economic level; first, because it is a powerful advocate of those time-honored virtues of thrift, industry and independence — the stepping stones upon which millions of people have moved forward through the years; and, second, because it demonstrates daily the great possibilities of individual initiative and group co-operation, functioning together constructively for the benefit of all sections of the community.

Life insurance, as it exists today, is truly of the people, by the people, for the people. It is their self-chosen way of providing against some of the more distressing exigencies of life.

We who are in any way connected with the business of life insurance should have great satisfaction in being a part of this beneficent and essential enterprise.

* * *

H. D. BURNS, president, the Crown Life Insurance Co.

The sales of the life insurance companies in general appear large at present in relation to prewar figures. Therefore, it may surprise many to discover that the ratio of sales to national income was considerably higher before the war than it is now, both in Canada and the United States. In Canada, for example, the ratio in 1939 was nearly 14% and in 1948 it was about 11½%.

In pointing out this fact I am not suggesting that the sales of life insurance in recent years could readily have been higher in the circumstances which prevailed. As everyone knows, part of the increase in the national income was a reflection of higher prices. The substantial advance in the cost of living and the increase of taxation made it impossible for many citizens to maintain both their standards of consumption and their current rate of saving, and under these conditions many Canadians reduced the amount which they put aside out of current income.

Since the end of the war, even more emphasis appears to have been placed on maintaining and improving current living standards than on providing for the future through personal saving. Understandable as this is, thrift can and should be a potent instrument, providing for higher standards of living in the future and helping to stabilize the value of money.

While it is obvious that the degree to which saving is practicable is closely related to the circumstances of the individual, the habit of regular saving through life insurance and through other means is one which should be even more widely cultivated to the advantage not only of the individual but of the whole country . . .

* * *

H. W. MANNING, vice-president and managing director, the Great-West Life Assurance Co.

In Canada and the United States more life insurance is owned by more people than anywhere else in the world. A major share of the credit for so extending the security and protection of insurance should be given to the companies' well-trained and competent representatives. A great task lies ahead, however, for the average protection per family is equal to only about one year's average income.

The period which we are entering can be one of sustained business activity and general prosperity if there is a renewed emphasis upon the reduction of costs and the encouragement of thrift. The will to save on the part of individuals can be seen in the growth of savings in life insurance and in bank deposits. An even greater volume of savings must be developed in order to provide an ample supply of investment capital to finance the improvement of our municipal services and the expansion of industry.

* * *

NORMAN S. ROBERTSON, president, the North American Life Assurance Co.

One of our major controls is exercised by the Foreign Exchange Control Board. Its name is a bit deceptive. Some might assume that it relates only to currencies or other matters foreign to Canada. The reverse, however, is very much the case because certainly directly or indirectly its actions vitally affect our internal prices and external trade because it is being used as an integral part of fiscal policy to shape our economic ends and not as an instrument to place a realistic value on our dollar in terms of other currencies so that trade may be fostered. Perhaps in the light of its functioning, Free Enterprise Control Board is a more descriptive name.

The retention in peacetime of state control of foreign exchange is, I think, one example of the present-day tendency toward continually more control and planning of our lives by the state, acting through boards, commissions, crown companies and other arms of government—even by governments which preach the virtues of free enterprise . . .

But what has been the result of theories of national planning when applied to the business or economic affairs of any country where they have been tried? Communism, a completely state-planned economy, grew out of Kerensky's Socialism in Russia. National Socialism in Germany was based on a state-planned economy which regimented the German nation into war and ruin. Italy under Mussolini followed the same path to the same ruinous end.

Our own experience and that of Britain should be a special warning to all of us at this time. We are approaching a national election and election campaigns spawn many rosy promises. Our Socialistic parties, to beguile the voter, will undertake to produce an immediate Utopia from state economic planning. Let us hope our other parties will not play into the hands of Communism by promising even a mild millenium by this means. Even the lenders of Socialistic Britain have come to recognize that work and production are the sine qua non of economic health.

DIVIDEND NOTICES

Canadian Locomotive Company Limited

DIVIDEND NOTICE

NOTICE is hereby given that a Dividend of One Dollar regular plus one dollar and seventy-five cents extra per share has been declared out of the profits of the Company for the year 1948 on the outstanding common shares without nominal or par value, payable March 1st, 1949, to shareholders of record, February 10th, 1949.

By Order of the Board.
G. W. DALY,
Secretary-Treasurer.

Kingston, Ontario,
January 27th, 1949.

Coarse Grains Cash Market Continues Good

Special Correspondence

WINNIPEG — Progressive weakness in the coarse grain market, continued over the last two weeks, culminated in a sharp drop in rye prices of more than 7 cents a bushel on Monday. This is a reflection of conditions in the U. S. market, where the great weight of the tremendous corn crop harvested last fall is having a cumulative effect. Farmers have failed to find satisfactory storage for many millions of bushels, and, in the fear of loss of condition if corn is held too long, are pressing it for sale on every possible occasion.

The wheat market has been declining at Chicago on the strength of sustained good prospects for winter wheat, where a crop exceeding last year's remarkably good harvest is at least possible.

Negotiations at Washington for the International Wheat Agreement are also having some depressing effect. If a $2 maximum price should be agreed on there, it would be taken by many traders as meaning an effective ceiling at that level, to which the market has been steadily declining. There is also the possibility that under pressure from Great Britain and Europe, exporting countries might be driven to setting a maximum price considerably lower than $2 a bushel. For the moment, the market does not seem much interested in the minimum price provisions, which in any event, would become effective only at levels considerably lower than those now prevailing.

In spite of the weakness in the futures market at Winnipeg for coarse grain, the cash market remains strong, and shippers continue to pay substantial premiums for spot delivery. The combined situation in the cash and futures market has been unusual for such a thin trade as has been in progress. Weather conditions and also blocked roads over much of the country, have been keeping down farmers' deliveries, so there has been comparatively little grain to be hedged in the futures market. But because of the lack of interest in futures, the demand has not been adequate to sustain the market. On the other hand, the total demand for cash grain for eastern shipment or for accumulation for export has been comparatively small. But insufficient quantities of oats and barley have been coming forward from terminals to meet this small demand, and exporters, consequently, have had to keep bidding premiums, in order to meet their commitments.

COMPANY REPORTS

MONARCH LIFE ASSURANCE CO. reports new insurance and annuities effected in 1948 at $25.5 millions, an increase of 9.4% over 1947, the previous high record year. Business in force on Dec. 31 was likewise a high record, at over $145 millions. The annual report notes that it was only in April, 1946, that the company first passed the $100 million "in force" mark. The 1948 figure thus has increased 45% over the date mentioned and 13.3% over the previous year end.

Total paid or credited to policyholders and beneficiaries in 1948 was $3.8 millions. While the amount of death claims paid in the year was somewhat higher than in 1947, mortality experience continued favorable.

Total assets rose almost $2 millions, the average rate of interest earned on invested assets being slightly higher at 4.31%. Company's holdings of bonds increased substantially. Important items in the statement, with comparisons, follow.

	1948 $	1947 $
Insurance in force	145,034,000	128,045,000
New insurance	25,516,141	23,328,876
Total receipts	5,220,205	4,799,727
Premiums	3,434,422	3,081,800
Int., divds.	1,236,374	1,136,994
Policy payments	1,712,452	1,481,937
Inc. in pol. reserves	2,181,238	1,956,843
Divds. to sh'holders	33,772	33,199
Liabs. to pol'holders Incl. actuarial res.	27,259,945	25,078,458
Prov. for pol. divds.	514,500	460,000
Liabs. to sh'holders	424,733	423,242
Other liabs.	117,375	107,134
Reserves	1,600,000	1,600,000
Total assets	30,826,321	28,853,070
Surplus	909,767	1,184,236
Int. earned	4.31%	4.26%

Saskatchewan Market For Alberta's Gas?

From Our Own Correspondent

REGINA — In addition to oil exploration, the Saskatchewan Government has natural gas on its mind. J. L. Phelps, former cabinet minister and now member of the Saskatchewan Power Commission, suggested to the Alberta Natural Gas Commission last week that if Alberta plans to export natural gas, Saskatchewan should be among the first to be considered as a consumer. He said that Saskatchewan and Manitoba presented a potential market for natural gas equivalent to one million tons of coal.

Grain Prices

Winnipeg Grain Futures

Week to Jan. 31, 1949

Crop year from Aug. 1, 1948 High	Low		High for week	Low for week	Close Jan. 31
		Oats			
.78⅞	.70¾	May	.73⅛	.71	.71½
.75½	.68⅝	July	.70¼	.68⅝	.69
.79	.66¼	Oct.	.67⅝	.66¼	.66¼
		Barley			
1.10⅛	.98⅝	May	1.07⅞	1.04	1.04
1.07½	.97⅞	July	1.01⅝	.97⅞	.98⅝
1.01¾	.95⅛	Oct.	.96¾	.95⅝	.96
		Rye			
1.79	1.40½	May	1.52¼	1.40⅞	1.41⅜
1.72	1.38¾	July	1.49	1.38¾	1.39¼
1.55½	1.35½	Oct.	1.43	1.35½	1.36⅛
		Flax			
4.11½	4.02	May	4.03	4.02¼	4.02¼
4.12	4.05	July	4.05	4.05	4.05

Cash Quotations

	For Week Jan. 31 High	Low	Prev. Week High	Low
Oats				
2 C. W.	.76⅝	.74⅞	.77½	.75¾
3 C. W.	.73⅝	.71⅞	.74¾	.73⅛
Barley				
1 Feed	1.09¼	1.07½	1.12⅞	1.10
2 Feed	1.08¼	1.06½	1.17⅞	1.09
Rye				
2 C. W.	1.45½	1.36⅝	1.48⅜	1.46⅛
Flax				
1 C. W.	4.00	[illegible].00	4.00	4.00

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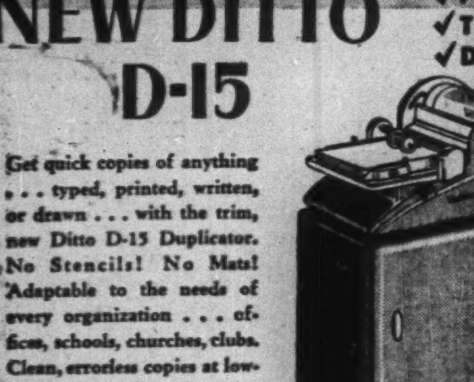

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CONSTRUCTION TRENDS — By CLIVE CHATTOE

Ottawa Ante May Exceed Half Share Hint to West on Trans-Canada Road

"I would think a minimum contribution by the Dominion Government would be 50%," Resources Minister Mackinnon told reporters in Edmonton recently. That's about the nearest thing yet to an answer for Canadian provinces and road builders on how much cold cash Ottawa may put up toward the proposed $266 millions for completion of the Trans-Canada Highway and other provincial road construction in a future three-level national program. But he made it clear the amount is still open to discussion.

The question of construction standards for the Trans-Canada completion was discussed Dec. 14 in Ottawa at a private conference of Dominion and Provincial officials.

Whether Ottawa will move to establish an independent Dominion - Provincial Highways Commission, as advocated by the Canadian Construction Association, remains to be seen. The CCA proposes a Commission of five members representing the five main economic regions and "with due regard to their qualifications in the fields of engineering and industry," to co-ordinate financing, planning and construction of interprovincial and international roads in a national highway system. The Commission, as the CCA sees it, would be provided with a substantial technical staff to (a) co-ordinate programs; (b) administer federal funds; (c) establish minimum construction standards; (d) promote research on soil conditions and road materials; and (e) establish long-term road development policies based on continuing study of transportation economics and the financial abilities of the Canadian people.

• • •

Subsidized Housing Program to Continue

Ottawa's Central Mortgage and Housing Corp. recently opened the books for a 1949 rental housebuilding program under federal-municipal joint auspices (formerly Wartime Housing).

One of the first things Reconstruction Minister Robert Winters did when he came to Ottawa to take up the office relinquished by Trade Minister Howe was to announce that the rental housing program "for veterans" will be continued. It was the first government statement to that effect. Before, even the municipalities wishing to enter such a program were in the dark as to whether it would be continued at all and, if so, whether terms of agreement and cost-subsidy share would be the same as in 1948.

Now, municipalities—or provincial governments acting for municipalities—may enter into agreements with CMHC for 1949 building. Ottawa hope is that land may be "assembled," and sewers, watermains and roads constructed this winter in time for start of building in the spring. Agreements may be negotiated until May 15, a cutoff date set early enough to avoid open construction in the late fall and winter.

Under the program Central Mortgage enters into arrangements with house-short municipalities whereby the municipality makes land and services available and Central Mortgage builds four-, five- and six-room houses for rental to veterans with the highest priority on a point rating system.

In 1948, 9,000 such houses were arranged with municipalities. No target has been set for 1949 because, as in 1948, volume is dependent on the willingness and ability of the municipalities to participate. But the program may be substantial, Mr. Winters said the Government is prepared to build houses for veterans "to the limit of the available supply of labor, materials and (now scarcest of all) serviced land."

• • •

Plan Prejob Training For Young Bricklayers

However steep the expected ultimate decline in capital spending as the new decade approaches—short of repetition of the collapse of the early 1930's—there may not be enough bricklayers, plasterers and other building tradesmen at the present rates of recruitment and retirement.

That, at any rate, is the continuing fear of construction industry leaders, many of whom recently have despaired of seeing any large scale rise in enthusiasm on the part of either contractor-employers or Canadian youth for apprentice training.

Ottawa, recognizing the impasse and its perils for the industry if not for the whole economy, is to attempt a new approach.

A move to increase the number of apprentices entering the building trades and other industries was launched recently by the Dominion Department of Labor. Labor Minister Mitchell announced a Federal proposal to the provinces to broaden the Dominion-Provincial apprentice training agreement and program so as to provide training in classes for prospective apprentices before they actually go to work. At present, class training in the Dominion-Provincial trade schools is given only during apprenticeship and the only pre-apprenticeship training offered is that being carried on in a limited way in technical and vocational high schools.

The new plan, which is expected to gain immediate acceptance in several provinces, including Ontario, is similar to that used in the now-completed veterans' rehabilitation training program.

• • •

'How to Close Deal' Gets New Study by Realtors

Real estate brokers and salesmen are paying more attention these days to selling aids than they have for many a year, their local boards and associations report.

Many entered the property trading business after the war. The newcomers since have been making a good income without too much study. They've known only a market featuring high prices, quick turnover, big volume and little buyers' resistance.

Conditions are changing. The market is turning just a bit tougher, more competitive, and realtors are going back to their text books for pointers on appraisal and selling to prepare for days ahead when housing and commercial space may be relatively plentiful, prices and rents declining.

• • •

N. S. Businessmen Take Course in Real Estate

Forty young Halifax businessmen are adding to their knowledge of the rudiments of real estate appraisal, trading and management at a series of eight lectures at Dalhousie University, sponsored jointly by the newly organized Nova Scotia Real Estate Board and the university. The lectures, a pioneer venture for the Maritimes, were organized in co-operation with, and on the suggestion of Halifax Board of Trade's real estate section.

First lecture, on appraisal of single-family dwellings, was given by G. A. Golden, Montreal, chief appraiser for Sun Life Assurance. The second and third, on insurance, were given by H. Churchill-Smith, a special lecturer in Dalhousie's Dept. of Commerce. Five more will follow during the university's post-Christmas term.

• • •

Edmonton Building 125% Over 1913 Top

Record construction year in Edmonton saw more than $27 millions worth of permits issued in 1948, topping the previous record of 1913 by $12 millions.

Included in the 1948 total were 2,178 permits for new homes to cost $13,241,908 and 40 for new apartment blocks, $1,233,000. On a basis of four persons to a family dwelling unit, this provides accommodation for more than 13,000 persons.

City officials warned that the city's record year for housing construction will do little more than keep pace with the city's growth. It will hardly touch the backlog of houses needed, estimated at 5,000, as many of the new homes have been built for young couples who have been crowded in with relatives. The accommodation they vacated was only temporary and will not be available for rent by newcomers.

• • •

Expect July Completion Of Big Aviation Centre

Montrealers last summer saw the red flag of steel completion run up over CNR's big new International Aviation building, a major unit in the central rail terminal development. By last week the building was being rapidly closed in, along with a giant steam heating plant to serve the whole terminal area and in which boilers will be installed in spring.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

ONTARIO LOAN & DEBENTURE CO. 1948 net profit was $271,351, after provision for Dominion income tax and Ontario corporation tax of $170,000 ($241,477, after $160,000 provision in 1947). The very prosperous conditions in Canada during 1948 were reflected in unusually large principal payments on existing mortgages, President Archibald McPherson states. In addition to this repayment money there was a notable increase amounting to $1,709,909 in money received on debentures, making with other funds a substantial total available for investment.

The strong demand experienced throughout the year for new mortgage money enabled the directors to satisfactorily invest the funds received, bringing to $17,330,349 the total of mortgages held, an increase of $2,222,664 for the year.

The company's liquid position has been maintained, quick assets of Dominion Government bonds and cash exceeding total deposits.

	1948	1947
Liab. to public, etc.*	$20,235,489	$18,539,957
Sharehldrs' equity	5,010,570	4,532,907
*Secured by:		
Office premises	90,000	90,000
Mortgages	17,330,349	15,107,685
Realty for sale	....	4,935
Agree. for sale	38,037	52,472
Liquid assets†	7,787,673	7,817,772
Total	25,246,059	23,072,864
†Comprises securities, loans on securities, deposits and cash.		
Earned per share‡	$6.03	$6.04
Paid	5.00	5.00

‡Based on 45,000 shs. outstanding in 1948 and 40,000 shs. outstanding in 1947.

HURON & ERIE MORTGAGE CORP. 1948 net profit amounted to $414,074 as compared with $395,588 in 1947. Liability to public increased to $44,782,017 ($43,341,399) and is secured chiefly by $27,191,131 ($28,542,547) in liquid assets, including stocks and bonds and $23,027,438 ($20,246,877) in mortgages and sales agreements. Total assets at year end amounted to $52,041,569 ($50,511,424.)

	1948 $	1947 $
Liabs. to public, etc.*	44,782,017	43,341,399
Shareholders' equity	7,259,552	7,170,025
*Secured by:		
Mtges. & sls. agree.	23,027,438	20,246,877
Office premises	1,823,000	1,722,000
Liquid assets†	27,191,131	28,542,547
Total	52,041,569	50,511,424
†Includes stocks and bonds.		
Earned per share‡	$7.51	$7.24
Paid	5.00	4.00+0.50

‡Based on amount paid up on subscribed capital.

HARDING CARPETS, LTD. net profit for the year ended Oct. 31, 1948 was up 41.6%. Sales of $6,728,973—the highest dollar volume in company's history — were 35% above previous year. Net profit was after a $250,000 inventory reserve.

Outlook for sales in both carpet and worsted yarns still appears good, President John S. Dickson states. In the carpet division more intensive competition is being felt from imported merchandise. In the yarn division, the outlook also appears good, although the main difficulty to be overcome will be consumer resistance to the high price of yarn necessitated in the main by the exceedingly high price to which fine worsted tops have risen. While it is likely that the company for the current year will show an increase in production and sales of both worsted yarns and carpets, it is expected that with costs and raw materials continuing to advance, the margin of profit will be somewhat reduced.

Plant expansion and improvement program is being continued, and capital expenditures this year are estimated at $340,000. Owing to the disturbed international situation and its influence on the supply of raw materials, it is necessary to carry higher inventories than would normally be the case, in order to ensure continuous production.

CONS. INCOME ACCOUNT

Years Ended Oct. 31:	1948	1947
Net earnings	$1,266,640	$944,396
Less: Depreciation	128,120	113,315
Int. on deb.	12,042	14,668
Inventory res.	250,000	148,667
Prov. for taxes	471,618	381,889
Net profit	404,860	285,857
Less: Dividends	184,963	150,283
Surplus for year	219,897	135,574
Earnings per Share and Dividend Record:		
Common	$1.75	$1.24
Paid	0.80	0.65

CONDENSED CONS. BALANCE SHEET

As at Oct. 31:	1948	1947
Cash & Dom. bds.	$223,659	$159,893
Accts. rec.	775,700	537,254
Inventories	2,646,490	1,830,212
Total curr. assets	3,645,849	2,527,359
Inv. at cost, less w/o	22,575	15,275
Misc. assets▲	143,875	169,326
Fixed assets*	1,262,973	1,100,680
Total assets	5,075,272	3,812,640
Accts. & tax. pay., etc.	1,386,129	572,394
Debentures due	22,000	21,000
Total curr. liab.	1,408,129	593,394
Inventory res.	753,050	503,050
Funded debt.	345,000	367,000
Capital stock	1,069,542	1,069,542
Capital surplus	279,396	279,396
Earned surplus♦	1,220,155	1,000,258
*After depr. of	1,809,807	1,684,239
♦Incl. ref. EPT	58,118	76,090
▲Incl. ref. EPT	24,675	76,090
Working capital	2,237,720	1,933,965

WATERLOO TRUST & SAVING CO. 1948 net profit was $119,327, ($120,306 in 1947). The company experienced a satisfactory expansion in its business during the year; guaranteed trust funds, represented by deposits and investment certificates, showed an increase of $1,956,285, bringing total to $24,997,068. The estates department shows an increase of $1,220,428, to $13,053,191.

	1948 $	1947 $
Liabs. to pub. etc.*	25,093,869	23,129,066
Shareholders' equity	2,142,617	2,132,041
*Secured by:		
Mtges. & sales agree	8,696,520	6,472,875
Office premises	336,959	341,140
Realty for sale	31,597	18,918
Liquid assets†	18,171,410	18,428,174
Total	27,236,486	25,261,107
†Includes stocks and bonds.		
Estates account	13,053,191	11,832,763
Earned per share	$7.96	$8.02
Paid	5.25	5.00

APEX CONSOLIDATED RESOURCES Jan. 1 installment of 50,000 shares at 10 cents a share and each subsequent installment have been extended for three months.

JOHN B. WOOD

has been appointed advertising manager of Aluminum Goods Ltd., Toronto.

Thrift Stores Makes 20,000 Share-Offering

MONTREAL (Staff)—A public offering of 20,000 ordinary shares of Thrift Stores Ltd. in the province of Quebec is announced by Savard, Hodgson & Co. These are part of the 57,000 shares authorized, issued and outstanding and are being offered at market price (currently approximately $16.50 a share).

The prospectus states that the company sold 5,638 shares previously unissued to a group of Montreal businessmen, and proceeds have been paid into the treasury to increase working capital. A part of these shares, together with additional shares purchased from former shareholders are those now being offered publicly. Proceeds will not, therefore, go into the company treasury.

Total estimated sales for the full year ending Mar. 26, 1949 will be approximately $12 millions, it is stated. For the first 24 weeks of the current fiscal year, net profits were lower than for the corresponding period of last year; due, the prospectus states, to government restrictions on imports of fresh fruits and vegetables and the shortage and high cost of meat. For the most recent 12-week period, net profits are running in excess of the same periods a year ago.

Net profits available for dividends including refundable excess profits tax for the 52 week period to Mar. 27, 1948, was $133,329 or equal to $2.33 a share based on present shares outstanding.

Thrift Stores at present operate a food chain store with 53 units in the Montreal area and 6 in Ottawa. It is planned to extend operations in other favorable districts in Greater Montreal and into a number of other important centres in Quebec. Each store will be stocked with complete inventories of groceries, provisions, fruits, vegetables and meats. A regular policy of leasing store properties will be followed, rather than tying up capital in real estate purchases, it is stated.

Capital structure of Thrift Stores as at March 27, 1948 consisted of $75,000 in first mortgage 4% serial bonds and 57,000 shares of common stock, n.p.v. of which 51,362 were then issued and outstanding. Since that time the outstanding bonds have been reduced to $50,000 by payment of $25,000 at maturity on June 1, 1948. The balance is to be paid off in amounts of $25,000 each on June 1, 1949, and June 1, 1950. Net working capital is said to be now raised to approximately $400,000.

Directors of the company are: J. L. Amyot; P. A. Dionne; W. E. Dunton; S. F. Raymond; J. E. Savard, president; R. J. Ward, vice-president; R. Messier, secretary-treasurer; all of Montreal; E. Coste, Toronto; F. C. Tenzer, Ste. Agathe des Monts. Vice-president and general manager is F. A. Juno.

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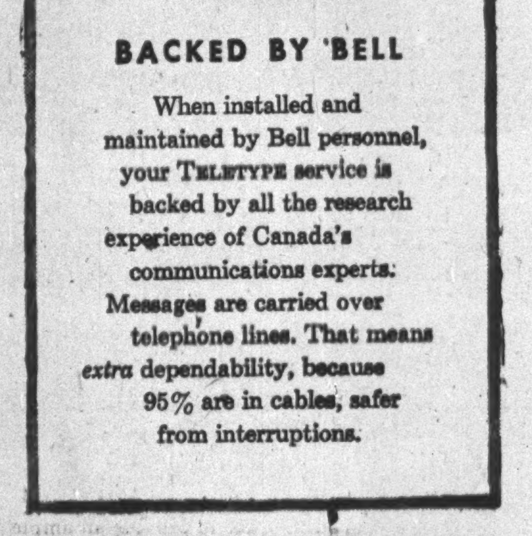

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THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING JANUARY 28

Range 1948-49 High	Low	Div Rate $	Jan 28 Yield %	Company	Sales	Last Jan. 21	Week end. Jan. 28 H	L	Close
19¾	12½	a.25	...	Abitibi, new	3720	16½	16½	16½	16½
21½	17½	1.50	7.5	Do. $1.50 pf.	2285	20	20½	20	20½
39	35½	2.50	6.6	Do. $2.50 p n	10	37½	38	38	38
25	16½	1.00	4.1	Acadia Atlan A	1340	24½	24½	24	24½
103	97	5.00	4.9	Do. 5% p.	45	103	102½	102	102
13	9	a.25	..	Acme Glove	100	11	10½	10½	10½
10	7½	a.15	...	Agnew Surp.	375	9	9½	9	9

Range 1948-49 High	Low	Div Rate $	Jan 28 Yield %	Company	Sales	Last Jan. 21	Week end. Jan. 28 H	L	Close
15½	10	..	...	Halifax Insur.	135	10½	10½	10	10½
9½	6	.50+†.25		Ham. Bridge	580	8¾	9	8¾	8¾
12½	9½	.80+a.10		Harding Carpet	1090	11¾	11¾	11½	11½
34	20	†1.00	..	Hayes Steel	340	30	30	28½	28½
20½	18	1.00	5.3	Hinde & Dauch	115	19	19½	19	19
53½	23½	2.00	6.7	H. Smith Pap.	640	30½	30½	29¾	29¾
49	44	2.00	4.3	Do. pref.	5	45½	47	47	47
4	2½	†.20	...	Hydro Electric	100	2½	2½	2½	2½

Range 1948-49 High	Low	Div. Rate $	Jan. 28 Yield %	Company	Sales	Last Jan. 21	Week Ending Jan. 28 High	Low	Close
.20	.08	.....	....	Amer. Y.K.	29,000	.15½	.15	.13	.14½
.68	.49	.....	....	Anacon L'd	65,200	.62	.65	.57	.58
10.75	8.25	.20	2.1	Anglo-Hur.	1,550	9.75	9.75	9.35	9.50
.68	.23½	.....	....	Anglo-Rou.	500	.27	.24	.24	.24
.31	.07	.....	....	Aquarius	1,500	.08½	.08½	.08½	.08½
.23	.05	.....	....	Area	6,000	.19	.20½	.17½	.18
.15	.06	.....	....	Arjon	6,000	.09	.10	.09	.10
.39	.05½	.....	....	Armistice	13,200	.10	.11	.10	.11
.16	.05	.....	....	Ashley	10,900	.07	.08	.07	.08
.27	.04	.....	....	Athona '37	15,200	.14	.14	.12½	.13

Oil Stocks

Range 1948-49 High	Low	Div. Rate $	Jan. 28 Yield %	Company	Sales	Last Jan. 21	Week Ending Jan. 28 High	Low	Close
.58	.18	.....	....	Nat. Pete.	15,800	.41	.41	.35	.39
.33	.07	.....	....	N. Pacalta	41,493	.12½	.14	.12	.12½
.10½	.04	.....	....	New Ranch	38,500	.04½	.04½	.04½	.04½
.30	.20	.....	....	N. Cont.	7,000	.22	.21	.20	.20
.22	.17	.....	....	N. Exten.	15,000	.18½	.18	.17	.18
.07	.04	.....	....	Oil Select	3,000	.04½	.05	.05	.05
1.84	.90	†.10	....	Okalta	7,400	1.50	1.46	1.40	1.40
3.65	.80	.10	3.7	Pac. Pete.	40,016	2.95	2.95	2.70	2.70
.40	.12½	.....	....	Pan West	21,600	.12½	.16½	.13	.15½
.08	.02½	.....	....	Phillips P.	39,700	.05½	.05½	.05½	.05½
.51	.08	.....	....	Princess P.	37,717	.38½	.39	.30	.37
.06	.02½	.....	....	Richfield	1,700	.03½	.04	.02½	.02½
.55	.23	.....	....	Roxana	22,100	.46	.49	.45	.45
.16½	.07	.....	....	Royal Can.	44,400	.10½	.11	.10	.11
28.75	16.00	1.00	3.5	Royalite	4,547	28.00	28.25	25.00	28.25
.12½	.05	.....	....	Share Roy	43,660	.10½	.12½	.10	.12½
.24	.10	.....	....	So. Brazeau	21,000	.20	.21½	.20	.20
.70	.21	.....	....	So. West Pete	1,000	.32	.40	.40	.40
.52	.12	.....	....	Spooner	275	.34	.30	.29	.30
.19½	.08	†.01½	....	Sunset	42,000	.13	.16½	.12	.16½
.58	.22	.....	....	Superior	32,600	.46	.45	.42	.44
1.80	1.15	.....	....	Texas. Can.	100	1.65	1.80	1.80	1.80
.55	.20	.....	....	Turner V.	40	.25	.35	.25	.25
.18	.06	.....	....	United Oils	9,140	.15½	.15½	.14	.14½
.30	.12	.....	....	Vanalta	1,000	.24	.23	.23	.23
.39	.20	.....	....	Vulcan	3,200	.23	.26	.25	.25
.22	.05	.....	....	Warner	10,875	.14	.17½	.15	.16
.10	.03½	.....	....	York Oils	23,000	.09½	.09½	.08½	.09

* N. Y. Funds. a Extra. ‡ Paid in 1946. § Paid in 1947. † Paid in 1948. * Paid or payable in 1949.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Jan. 31	153,700	902,000	125,252	79,825	760,000
Jan. 29	95,400	413,000	83,633	21,826	370,000
Jan. 28	183,000	823,000	223,275	114,318	1,040,000
Jan. 27	234,000	904,000	184,458	118,038	1,630,000
Jan. 26	185,400	982,000	152,228	122,450	1,290,000
Jan. 25	232,400	989,000	195,740	106,083	1,050,000

BUSINESS BAROMETER

	JAN.	DEC.	NOV.	OCT.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dom. total revenue	....	220.2	205.6	215.5	222.7
Dom. total expend.	....	170.3	179.3	151.6	162.6
MERCHANDISING					
▪Dept. store sales index no. (3)	+13	....	+11	+23.4	....
Retail store sales index no. (1)	....	....	....	290.6	253.9
▪Country store index no (1)	....	....	233.2	245.5	....
Wholesale sales index (no.)	....	....	316.2	321.9	295.0
FINANCE					
Dividend payment index (5)	215.9	211.8	203.6	204.2	192.9
Money supply (millions $)	....	....	4,227	4,208	3,865
NEWSPRINT CAPACITY					
Production ratio	....	102.4	105.5	106.1	100.6
Shipment ratio	....	107.9	107.7	104.2	101.1
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.)	....	197.2	166.5	163.2	216.2
Cars (D.B.S.)	....	166.3	158.9	147.2	169.2
COST OF LIVING					
D.B.S.	....	158.9	159.6	159.6	146.0
EMPLOYMENT INDEX					
All industries	....	....	203.5	203.3	197.8
Manufacturing	....	....	206.1	210.0	205.1
Payrolls (June 1/41=100 (2)	....	....	216.7	214.7	189.1

	1948-49	1947-48	1948-49 Jan. 1 to date	1947-48 Jan. 1 to date	% Change
RAILWAYS—(000's omitted)					
▪Carloadings (week Jan. 22)	71.8	71.8	214.3	213.6	+0.3
▪C.N.R. gross rev. (Dec.)	45,019	38,499	499,270	438,197	+12.1
▪C.N.R. net rev. (Dec.)	6,203	3,750	26,530	41,075	—35.2
▪C.P.R. gross rev. (Dec.)	31,077	28,605	355,250	318,586	+11.5
▪C.P.R. net rev. (Dec.)	1,833	3,923	18,419	22,892	—19.5
IRON AND STEEL PRODUCTION (000's omitted) (Nov.)					
Pig iron production (tons)	167	174	1,947	1,804	+7.3
Steel production (tons)	278	255	2,921	2,695	+8.4
CONSTRUCTION (000's omitted)					
Contracts awarded (Nov.)	83.0	59.8	898.0	683.0	+31.5
Cement prod., bbls. (Nov.)	1,256	1,138	12,954	11,152	+16.1
AGRICULTURE (000's omitted)					
▪Flour prod., bbls. (Dec.)	1,728	1,633	26,178	32,719	—20.0
Flour exp., bbls. (Dec.)	1,028	1,092	12,378	18,082	—31.6
Wheat exp., bush. (Dec.)	13,580	15,805	135,641	160,426	—15.5
Cattle sales (Dec.) (4)	146.5	200.0	1,895.3	1,561.5	+19.6
Hog sales (Dec.) (4)	445.1	613.5	4,767.9	4,756.0	+0.3
SEA FISHERIES (000,000's omitted)					
▪Catch, lb. (Dec.)	89.4	55.1	1,276.3	1,142.2	+11.0
▪Landed value (Dec.)	3.2	2.4	60.0	45.3	[illegible]
NEWSPRINT (000's omitted)					
Production (Dec.)	385	369	4,601	4,447	[illegible]
Exports, tons (Dec.)	407	370	4,591	4,490	+2.3
MINING AND OILS (000's omitted)					
Coal prod. (tons) Dec.)	1,791	1,769	18,377	15,869	+15.8
Gold prod. (fine oz.) (Oct.)	307	259	2,889	2,543	+13.6
Petroleum prod. (brl.) (Oct.)	1,101	653	8,649	5,516	[illegible]
ELECTRICAL POWER OUTPUT (000,000's omitted) (Nov.)					
Total monthly kwh	3,638	3,614	40,932	41,257	—0.8
FOREIGN TRADE (millions of $)					
Imports (Nov.)	238.2	229.1	2,405.0	2,379.8	+1.1
▪Exports (Dec.)	316.8	266.2	3,075.8	2,774.9	+10.9
FINANCE (millions of $)					
▪Bank debits (Dec.)	7,800	6,811	80,687	74,498	+8.1
Bond sales (Dec.)	103.9	211.0	4,832.2	4,656.1	+3.8
Life insurance sales (Nov.)	120.4	112.8	1,094.5	1,102.2	—0.7
OTHER INDUSTRIAL FACTORS (000's omitted)					
Shoe prod. (Nov.)	3,009	2,737	29,623	33,028	—10.3
Cigarette cons. (no.) Dec.)	1,361	1,327	15,882	15,143	+4.9

(1) Base period 1935-39=100.
(2) All industries.
(3) % change from year ago; latest week or monthly average.
(4) Total at yards and plants.
(5) Nesbitt, Thomson, etc.
▪New items for week.

Unlisted Stocks

(Compiled from quotations supplied by Kamm, Garland & Co., Kippen & Co. and Intercity Securities Corp.)

Jan. 31, 1949

	Bid	Ask.		Bid	Ask.
Akenhead Hardware Co.	73.00	....	Hart Battery com.	9.50	10.50
Allens Toronto units	40.00	....	Hartz, J. F. A	9.75	10.75
Anglo Can. Telephone A	10.00	10.75	Homewood Sanitarium	110.00	....
Beach Foundry pfd.	95.00	....	Hudson Bay ord.	10.00	....
Beauharnois L. H. & Pr.	16.00	18.00	Imperial Life	225.00	250.00

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Feb. 1, 1949

%	Due	Bid	Ask
Victory Loans:			
3	June 1951 ...	102½	102¾
3	Mar. 1954 ...	103½	104
3	Nov. 1956 ...	103½	104
3	May 1957 ...	102¾	103¼
3	Jan. 1959 ...	101¾	102¼
3	June 1960 ...	101¼	102¼
3	Feb. 1962 ...	100¼	101¼
1¾	Nov. 1950 ...	100	100¼
3	Oct. 1963 ...	100¾	101¼
3	Sept. 1966 ...	100¾	101¼
1½	Nov. 1949 ...	100¼	100½
Dom. of Canada Bonds:			
3½	Feb. 1952 ...	102¾	103¼
3	Oct. 1952 ...	100¾	101¼
3	June 1953 ...	101¼	101¾
3	June 1958 ...	102¼	102¾
4½	Nov. 1959 ...	102	102½
3¼	June 1966 ...	102¾	103¼
3	Perpetual ...	99½	100
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Jan. 1959 ...	101	101½
4½	Sept. 1951 ...	106	107½
4½	Feb. 1956 ...	122	124
4½	July 1957 ...	124	126
5	Oct. 1969 ...	106½	108
5	Feb. 1954 ...	111½	112½
5	Feb. 1970 ...	107¼	108¾
4¾	June 1955 ...	123	125
Can. Nat. W. Ind. S.S.:			
4¾	June 1955 ...	123	125½

%	Due	Bid	Ask
Grand Trunk Pacific Rly.:			
3	Jan. 1962 ...	109	111½
4	Jan. 1962 ...	120	122½
Montreal Harbour Comm.:			
5	Nov. 1969 ...	106½	108
Provincial Govt. Bonds			
Alberta:			
3½	June 1950/64.	100½	102
3½	June 1959 ...	109	112
3½	June 1950/72.	101¾	103
3½	June 1950/71.	100½	102
British Columbia:			
2¾	Jan. 1967 ...	93¾	95½
4½	Jan. 1969 ...	126½	129½
5	Apr. 1954 ...	120	122½
5	Sept. 1953 ...	107½	109
3	Dec. 1960 ...	99	100½
4	Dec. 1957 ...	116¾	119½
Manitoba:			
4	Dec. 1957 ...	117¾	120¼
4½	Dec. 1956 ...	120½	123
5	Dec. 1959 ...	127½	129¾
2¾	Aug. 1962/64.	93½	95½
5½	July 1958 ...	116¾	119
New Brunswick:			
4½	Apr. 1961 ...	117	119½
5	Jan. 1960 ...	121	123½
2¾	June 1966 ...	89½	91½
3½	Oct. 1960 ...	98	99½
Nova Scotia:			
3½	June 1956 ...	100¾	102¼
4½	Nov. 1960 ...	123¾	126½
5	Mar. 1960 ...	127½	130
3	June 1956/58.	99½	101
2¾	Sept. 1968 ...	93½	95½
3½	May 1960/62.	100½	101½

%	Due	Bid	Ask
Ontario:			
2¾	Nov. 1965/69.	94½	95½
3	Apr. 1962/65.	99½	100½
3½	May 1952/55.	102	103
4	June 1962 ...	120½	123
4½	June 1950 ...	102¾	103¾
4½	Jan. 1962 ...	126	128½
5	Dec. 1960 ...	130½	133
2¾	July 1967/76.	92½	95
Ont. Hydro Commission:			
4	Aug. 1957 ...	117½	119½
2¾	June 1961/71.	93½	94½
2¾	Oct. 1965/68.	94	95½
Prince Edward Island:			
4	Mar. 1951/54.	101	102½
Quebec:			
3½	Mar. 1954/59.	102½	104
3½	Feb. 1952/55.	103	104½
4½	Aug. 1958 ...	108½	110
4½	Jan. 1963 ...	113¾	115½
3	Feb. 1960/62.	99½	100½
4	Nov. 1950/52.	102½	104
Quebec Hydro Commission:			
3	Feb. 1969/73.	97	98½
Saskatchewan:			
4	Nov. 1955/60.	99	101
5	Aug. 1958 ...	105½	107½
4½	Mar. 1960 ...	108	111
5	Dec. 1959 ...	111	113½
5½	Oct. 1952 ...	104½	106½
6	Mar. 1952 ...	105¾	107¼
3	Mar. 1963 ...	90	92
3½	Nov. 1960/62.	91¾	93½
3½	Feb. 1960/62.	96½	97½

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	10	8	4	4	9	13	8	16	14	8	16	100
***1935 to date:**												
High	247.7	287.9	149.7	123.7	221.9	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	66.7	60.2	60.0	65.2	61.1
1948: Monthly Figures:												
Jan.	189.8	216.9	112.8	70.5	188.4	117.6	312.6	132.6	101.4	132.5	112.9	107.5
Feb.	179.7	242.7	105.5	65.8	185.3	111.8	294.1	122.5	95.2	129.7	110.1	102.2
Mar.	189.5	243.7	104.9	65.2	186.6	109.6	289.7	121.4	98.4	127.8	107.4	101.5
Apr.	209.1	256.5	109.5	70.1	197.3	115.2	312.6	132.0	102.5	127.7	116.5	108.1
May	228.0	274.1	112.1	76.6	215.7	114.0	331.8	142.4	107.8	128.4	127.8	116.5
June	247.7	279.8	111.7	79.5	220.2	115.9	324.3	144.1	108.7	128.5	132.2	120.3
July	234.9	275.9	111.2	75.1	221.9	115.5	315.3	139.5	106.6	127.8	126.2	116.3
Aug.	224.8	272.2	108.3	72.8	214.8	113.2	300.3	137.1	106.7	127.9	123.2	113.6
Sept.	231.3	269.4	107.9	74.9	211.5	111.5	297.6	136.7	105.7	128.3	121.2	113.4
Oct.	234.6	266.9	103.3	78.4	212.9	112.8	305.7	139.6	108.8	128.4	123.2	116.4
Nov.	233.5	267.6	100.3	79.6	217.8	116.6	315.4	140.9	107.8	132.6	121.3	117.8
Dec.	232.2	256.9	98.8	78.9	217.8	114.1	302.8	139.6	106.9	132.4	120.2	115.8
1948-49: Weekly Figures												
Jan. 6 ..	238.4	258.4	98.9	78.2	213.6	115.1	302.8	142.0	109.1	133.6	121.4	116.3
Jan. 13 ..	235.1	258.1	97.5	76.7	214.1	115.9	296.5	142.7	108.5	133.0	119.6	114.9
Jan. 20 ..	231.7	257.7	94.1	76.1	216.6	115.5	292.2	142.7	107.4	131.7	118.8	113.8
Jan. 27 ..	231.2	254.3	94.9	72.3	212.7	114.5	285.4	144.5	107.6	131.9	118.1	112.2

*High and low for year from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Jan. 31	177.52	96.57	106.32	55.39
Jan. 29	177.80	94.55	106.82	56.44
Jan. 28	178.02	94.08	106.89	56.45
Jan. 27	178.94	95.23	108.68	56.97
Jan. 26	179.22	94.09	108.69	57.02
Jan. 25	179.67	93.58	108.63	56.14
Month ago .	180.78	89.83	105.13	56.00
Year ago ..	167.02	100.42	88.52	34.33
1948-49 high..	191.44	104.68	113.93	61.76
1948-49 low .	149.13	79.16	77.67	28.68

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Jan. 31 ...	72.2	128.6	109.8	323.24	64.65
Jan. 29 ...	72.4	129.4	110.4	325.23	65.29
Jan. 28 ...	72.6	129.4	110.4	324.16	65.14
Jan. 27 ...	72.7	130.0	110.9	326.46	65.66
Jan. 26 ...	73.0	130.0	111.0	330.19	64.30
Jan. 25 ...	72.6	130.3	111.1	330.27	64.46
Month ago	73.2	130.1	111.1	334.78	62.74
Year ago ..	73.9	118.9	103.9	331.65	71.83
1948-49 hi.	77.7	135.6	116.0	384.80	74.92
1948-49 lo.	70.7	108.0	95.7	290.26	56.43

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Jan. 31	179.12	52.57	34.68	65.15
Jan. 29	179.35	52.69	34.70	65.23
Jan. 28	178.82	52.63	34.70	65.10
Jan. 27	179.52	52.91	34.75	65.35
Jan. 26	179.88	52.88	34.72	65.42
Jan. 25	179.65	53.18	34.77	65.47
Month ago .	175.03	51.87	33.36	63.64
Year ago ...	174.92	51.54	32.66	63.23
1948-49 high .	193.16	64.95	36.04	71.85
1948-49 low .	165.39	48.12	31.65	59.89

Dividends Declared

	This payment $	Date payable	Date of record
Abitibi	*.25	Apr. 1	Mar. 1
Acadia-Atlantic A pf	.25	Apr. 1	Mar. 10
Do. pf.	1.25	Mar. 15	Feb. 21
Agnew-Surpass	.15	Mar. 1	Jan. 31
Aluminium	.50	Mar. 4	Feb. 4
Alum. of Can.	.25	Mar. 1	Feb. 3
[illegible]	[illegible]	[illegible]	[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Feb. 1, 1949

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
*Alg. Cen. H.B.R.	5	'59	69½	...	69½
†Assoc. Tel. & T.	5½	'55	109½	...	109½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gt. Lakes Pa.	3½	'67	98	101	98
Imperial Tobac.	2¾	'66	95½	97½	95½
Indust. Accept.	3½	'66	94	96	94
Lake St. J. P.	5	'61	101	103	101
Lang, John A.	4½	'62	100½	102½	100½
Laurentian Silk	4½	'67	100	102	100
MacMillan (H.R.) Ex.	4	'65	100	...	100
Maple L. M.	3¾	'63	96	99	96
Massey-Harris	3	'66	93½	96½	93
Do.	4¾	'63	99½	101½	99½
McColl-Front.	3	'71	93	...	93
Mercury Mills	4	'63	98½	...	98½
Monarch Knit.	4	'66	97½	...	97½
Morgan (Henry) Prop.	3½	'67	98	101	98
N.S. Steel Coal	3½	'63	96	99	96
Penman's	3½	'66	99	...	99
Price Bros.	3½	'66	99	102	99
Silv. Dairies	4	'60-'64	98	101	98
Do.	4	'71	89	92	89
Simpsons Ltd.	3½	'60	101½	...	101½
Steel of Canada	2¾	'67	93½	95½	93½
Tor. Elevators	3½	'66	97½	100½	97½
United Corp.	4	'58	99	...	99
United Steel	4	'60	98	101	98
Untd. Grain Gr.	4	'63	100	...	100
†Western Grain	5	'63	80	...	80
York Knit. Mills	3½	'71	89	93	29

*Payable in Canada or United States.
†Payable in Canada, U. S. or U. K.
°Payable in United States.
‡Payable in Canada only.
▲Payable in Canada or U. K.

Investment Trusts

	Bid	Asked
Affiliated Funds	3.72	4.07
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.55	5.00
Can. Invest. Corp.	7.00	8.00
Commonwealth In.t	3.37	3.70
Corporate Invest.	8.44	9.10
Trans-Canada A	13.75	...
Do. B	...	14.60

Dividends Declared (cont.)

So. Can. Pwr.	.30	Feb. 15	Jan. 20
Stand. Chem.	.10	Mar. 1	Jan. 31
Do. pf.	1¼%	Mar. 1	Jan. 31
Sylvanite G.	.01½	Apr. 1	Jan. 20
Texas-Can. Oil	1.85	Jan. 25	Jan. 20
Tor. Elevators	.15	Mar. 1	Feb. 19
Toronto Iron	.15	Apr. 1	Mar. 15
Do. A	.15	Apr. 1	Mar. 15
United Corp. A	.38	Feb. 15	Jan. 15
Do. B	.25	Feb. 28	Jan. 31
Do. B ext.	.50	Feb. 28	Jan. 31
United Steel	.15	Mar. 30	Mar. 15
Vancouver Ice A ..	.20	Feb. 15	Jan. 31
Woods Mfg.	.50	Mar. 31	Feb. 28
Wool Comb.	.40	Apr. 11	Mar. 25
Zellers	.50	May 1	Apr. 15
Do. 5% pf.	.31¼	May 1	Apr. 15
Do. 6% pf.	.31¼	May 1	Apr. 15

†N. Y. funds. *Initial. ‡Payable 1949. ▲After 4-1 split.

Market Comment

Big question in investors' minds this week—what are the behind-the-scene developments forcing base metal stock prices down? The Toronto Stock Exchange base metal index dropped 3.3 points the past week, the downward impetus being supplied by such blue chips as Consolidated Smelters and Hudson Bay.

Stalin's olive branch gesture might have taken some of the steam out of U. S. stock piling programs of strategic metals, certain sources thought. Another possible bearish factor in the picture is a bill being prepared for early presentation to Congress. This bill is designed to boost U. S. production of base metals and this would be at the expense of Canadian exports. President Truman, who frowned on the bill last year, is reported as giving it his favorable attention at the moment.

If it's only these general factors and not special mine situations behind the move, then the shareholder should not become too panicky. Washington has pretty well committed itself to the stand that the best way to talk business with Russia is over a sizeable wall of military preparedness. Despite some indications of lessening domestic demand, copper, lead and zinc are still in tight supply and the Government stockpiling program far behind schedule.

Last week's lack of market response to the good earnings reports from U. S. Steel and Bethlehem Steel is another manifestation of the continuing uneasiness in the public mind, concerning the near-term future. But the steel directors do not base dividend policy on a day-to-day earnings trend or make predictions about future business looking ahead only a couple of months. The increased dividend policies and bright business forecasts represented confidence over the next year.

* * *

H. R. McCUAIG; McCuaig Bros. & Co. (Montreal).

At present the dollar has a buying power of about 63 cents prewar. If the Montreal Stock Exchange industrial average were translated into prewar dollars, the present level of 130 would be equivalent to roughly 83. This compares with a trading range of around 70 at the outbreak of war in 1939.

A very great improvement has taken place in the position of most corporations over the intervening years. Thus stocks are selling today at historically low ratios to earnings with inadequate depreciation charged. Dividend yield on the stocks comprising the Dow Jones industrial average is over 6%, and even higher returns are available from a number of well-secured companies.

This is not a new situation although it has become accentuated as high profits have continued throughout 1948. Nevertheless the shock to investment confidence administered by the Democratic victory on Nov. 5 has so far offset the favorable aspects. The refusal of the New York market generally, apart from steel stocks, to reflect the U. S. Steel extra dividend and split-up is a measure of the present sceptical mood. A market so indifferent to good news is likely to be vulnerable to bad. Commodity prices are past their postwar inflationary peak, and there have been widespread sales at retail since Christmas.

Thus a proportion of readily available reserves of cash and bonds could prove sound policy over the next few months. Looking farther ahead, however, inflationary government spending for armaments, foreign aid and domestic support programs, will be a much greater force than in any previous period. Artificial bolstering of purchasing power, on the scale projected, must exert an important effect on the general level of business activity.

* * *

FRANK G. LAWSON; Moss, Lawson & Co. (Toronto).

Three times within the last three years, Bell Telephone shareholders have been issued "rights" which, in each case, have been worth more than $1 per share to them. In effect, these rights have been extra dividends free of income tax. In talking about this stock, the average stock broker points only to the annual dividend of $2 which gives a yield of 5.10% on the current market price of $39. Yet it is quite likely that the expanding demand for telephone service will require additional capital in future years, with further valuable "rights" to the shareholders.

Because Bell Telephone has paid dividends continuously for 67 years, this stock is regarded as a "blue chip" and seldom has the investor been able to buy it to yield over 5%.

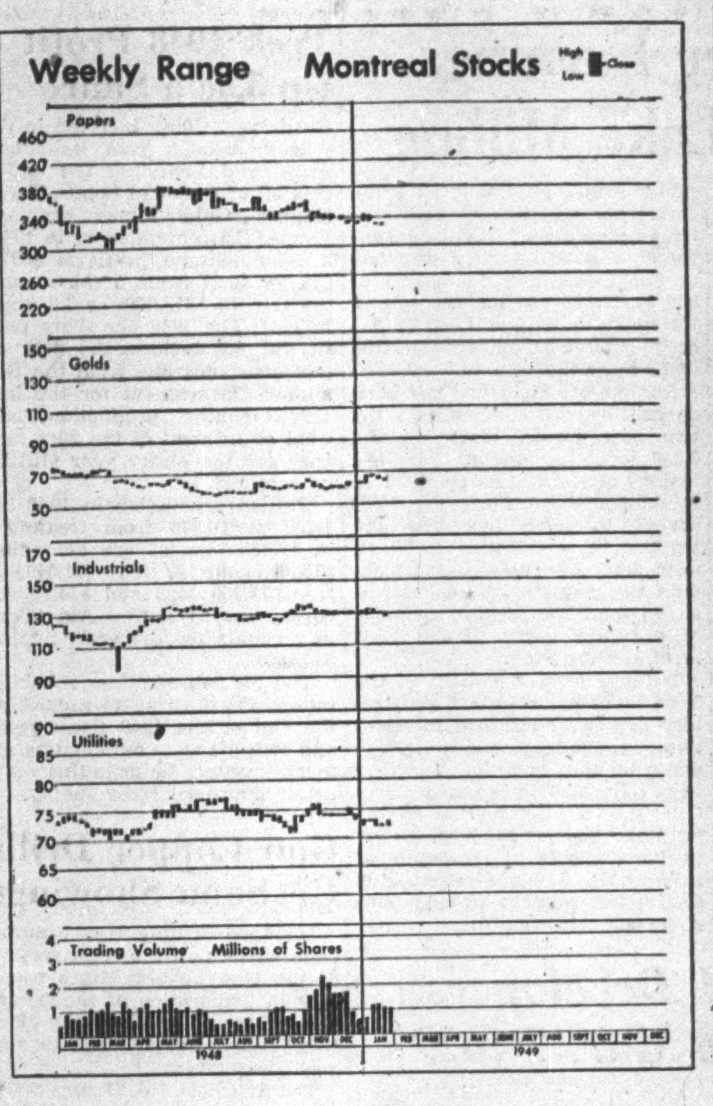
We have been surprised to find that many people do not understand how much cheaper it is to purchase the "rights" which are only good until Feb. 21. These "rights" are being sold by shareholders who have not got the money in hand to purchase additional stock. Therefore, they sell their "rights." By purchasing 50 rights, one can buy 10 shares of stock from the Company at $33 per share. At $1.13 plus 2c brokerage or $1.15 for the rights, the cost is $387.50 or $38.75 per share compared to a total cost of $393.00 by buying the stock itself on the market at $39 plus brokerage of 30c.

Judging from the number of orders which we are receiving, we believe many thousands of shareholders will be added to the Bell list at this time, which indicates that there is a lot of money available for good investments.

* * *

SHEARSON, HAMMILL & CO. (New York).

For the long run, the outlook seems to be that the Federal Government will continue to hold itself responsible for the maintenance of a "full-employment" economy, and that it will argue the accomplishment of this objective as an excuse for pursuing the easy and politically attractive "spend and spend" route which must ultimately end in deficits, and thus in further inflationary expansion in the money supply.



Record of Financing

Sales by Municipalities, Provincial and Dominion Government, Offerings of Corporations and Foreign Securities

DOMINION

Dominion of Canada Treasury bills — Due Apr. 22, 1949, $75,000,000, issued Jan. 20, 1949. Sold at $99.89752 to yield .411%.

MUNICIPAL

City of Saint John, N.B.—3%, 3¼% and 3½% 1-20 year serial debentures, due Feb. 1, 1950-69, $2,109,000, dated Feb. 1, 1949. Price on application from Nesbitt, Thomson & Co. Ltd., Dominion Securities Corp. Ltd. & Bank of Montreal.

Town of Kenogami, P.Q.—3% debentures, due Jan. 1, 1950-55, $75,000, issued Jan. 17, 1949. Sold at $98.54 to Geoffrion, Robert & Gelinas Inc.

Town of Gananoque, Ont.—3% debentures due Feb. 1, 1950-59 $22,500 issued Jan. 18, 1949. Sold at $101.05 to Bank of Toronto.

City of Sherbrooke, P.Q.—3% debentures, due Dec. 1, 1949-68, $440,000, issued Jan. 25, 1949. Sold at $97.52 to Bell, Gouinlock & Co. Ltd. & Canadian Bank of Commerce.

School Commission of L'Assomption-de-Waterville, P.Q.—3%, 3¼% & 3½% debentures, due Nov. 1, 1949-53-58-63, $108,000, issued Jan. 25, 1948. Sold privately at $99.

Village of Glencoe, P.Q.—3½% debentures, due Dec. 15, 1949-62, $14,000, issued Jan. 25, 1949. Sold at $100.50 to Midland Securities Ltd.

Town of Laurentides, P.Q.—3½% debentures, due Oct. 1, 1949-68, $34,000, issued Jan. 25, 1949. Sold privately at $100.

School Commission of St.-Edmond-Les-Plaines, P.Q.—3½% debentures due Aug. 1, 1949-68, $68,000, issued Jan. 25, 1948. Sold privately at $100.

Village of St.-Emilien, P.Q.—3½% debentures, due Nov. 1, 1949-58, $7,000, issued Jan. 25, 1949. Sold privately at $97.

Parish of St.-Joseph, P.Q.—3½% debentures, due Jan. 2, 1950-69 $65,000, issued Jan. 25, 1949. Sold privately at $96.75.

Parish of St.-Sauveur, P.Q.—4% debentures, due Jan. 1, 1950-69, $1,600, issued Jan. 25, 1949. Sold privately at $100.

Village of La Sarre, P.Q.—3½% debentures, due Nov. 1, 1949-63, $300,000, issued Jan. 25, 1949. Sold privately at $96.05.

School Commission of City of Thetford Mines, P.Q.—3½% debentures due Dec. 1, 1949-68, $12,600, issued Jan. 25, 1949. Sold privately at $100.

Les Soeurs De La Charite De L'Hotel-Dieu De Saint-Hyacinthe 3%, 3¼% and 3½% debentures, due Jan. 2 and July 2, 1950-55-60-64, $500,000, dated Jan. 3, 1949. Sold at $100 plus accrued interest to Societe Generale De Finance, Inc.

CORPORATE

Kelton Corporation—5½% First Mortgage sinking fund bonds, series "A", due Feb. 1, 1969, $250,000, dated Feb. 1, 1949. Offered at $100 and accrued interest to yield 5½% by Bankers Bond Corporation.

Compagnie France Film (Incorporated under the Quebec Companies' Act)—4½% First (closed) mortgage sinking fund bonds, due Jan. 2, 1964, $900,000, dated Jan. 2, 1949. Offered at $100 and accrued interest by René-T. Leclerc Inc.

PREFERRED

British Columbia Electric — $3,000,000, 4¾% cumulative redeemable preferred shares (par value $100). Offered at $100 per share to yield 4¾% by Nesbitt, Thomson & Co. Ltd., Wood Gundy & Co. Ltd., Societe De Placements, Inc., A. E. Ames & Co. Ltd., Dominion Securities Corp. Ltd., Royal Securities Corp. Ltd., Pemberton & Son, Vancouver, Ltd., W. C. Pitfield & Co. Ltd., McLeod, Young, Weir & co. Ltd., Greenshields & Co. Inc., Cochran, Murray & Co. Ltd., Collier, Norris & Quinlan Ltd., James Richardson & Sons, Mills, Spence & Co. Ltd., Midland Securities Ltd., René-T. Leclerc Inc., Eastern Securities Co. Ltd., Western City Co. Ltd., W. C. Harris & Co., Ltd., Burns Bros. & Denton Ltd., Fairclough & Co. Ltd., R. A. Daly Co. Ltd., A. E. Jukes & Co. Ltd., Okanagan Investments Co. Ltd., Hagar Investments Ltd., McMahon & Burns Ltd., Yorkshire Securities Ltd., J. C. MacKintosh & Co. Ltd., F. J. Brennan & Co. Ltd., Tanner & Co. Ltd., Carlile & McCarthy Ltd., Thomas B. Read & Co., Melady, Sellers & Co., Ltd., Anderson & Co. & Lauder, Mercer & Co. Ltd.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$21.00	$21.29	$15.22
Hogs	30.35	31.35	28.10
Copper, lb.	.23½	.23½	.21½
Sugar, raw, lb.	.0529	.0520	.0515
Coffee, lb.	.28¼	.27⅞	.26½
Hides	.29	.27	.31½
Weekly Indices			
U. S. Labor	158.8	159.3	164.5
Dow Jones	135.29	136.82	168.50
Fishers	169.7	169.8	172.3
Monthly Indices			
Retail (Dec.)†	158.9	159.6	146.0
W'sale (Dec.)	159.5	159.7	143.5
U. S. (Nov.)	163.9	165.2	159.6
Gt. Brit. (Nov.) ...	220.5	219.8	164.9

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper -electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

Company Meetings

1949	Company	Place
Feb. 3	Mutual Life	Waterloo
Feb. 4	Crown Trust	Toronto
Feb. 4	Wellington Fire	Toronto
Feb. 7	Consol. Fire	Toronto
Feb. 7	Catelli	Montreal
Feb. 7	Equitable Life	Waterloo
Feb. 8	Sun Life	Montreal
Feb. 9	Can. Trust	London
Feb. 9	Buff. Candn. G. M.	Toronto
Feb. 9	H. & E. Mtge.	London
Feb. 9	Tor. Mtge.	Toronto
Feb. 9	Ont. Loan & Deb.	London
Feb. 10	Br. Mtge. & Tr.	Stratford
Feb. 9	Candn. Brew.	Toronto
Feb. 10	Excelsior Life	Toronto
Feb. 10	Dom. Bridge	Montreal
Feb. 14	Mtl. City & Dist. S. B.	Montreal
Feb. 14	Rob. Cot.	Toronto
Feb. 16	Guar. Co. of N. A.	Montreal
Feb. 17	Nor. Empire Fire	Toronto
Feb. 18	Bruck Mills	Montreal
Feb. 21	Beld.-Cort.	Montreal
Feb. 21	Can. Cement	Montreal
Feb. 22	Lon.-Can. Ins.	Toronto
Feb. 24	Bell Telephone	Montreal
Mar. 18	Barber-Ellis	Toronto
Mar. 21	Adelaide Sheppard	Toronto
Apr. 5	Simpsons	Toronto

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
†Can. Conv. 1st mtge. ser. "A"	3¾-4%	1952-57	Mar. 1	101

†All outstanding.

Bond Tenders

12 noon Feb. 3, 1949, Canada Treasury Bills, $75,000,000, payable May 6, 1949, dated Feb. 4, 1949.

New Highs & Lows

During the week ended Jan. 29, new highs were recorded among the general stocks on Canadian Stock Exchanges and 22 new lows. In the mining group there were 14 new highs and seven new lows; five new highs among the western oils and three new lows.

GENERAL

New Highs—1948-49

Bathurst Pwr. A; Bell Telephone; Claude Neon; Do. pfd.; Dominion Bridge; Dom. Magnesium; Federal Grain pf.; Montreal Tele.; United Fuel pf. A

New Lows—1948-49

Biltmore Hats; Brandram Hend.; B. C. Elec. 4¾% pf.; Burns Co. A; Burrard D.D. A; Can. Food Prod. pf.; Consumers Glass; Distil. Seagrams; Dom. Tar & Ch. pf.; Electrolux; Fleet Mfg.; Fraser Cos.; Ind. Accep. 4¼% p.; John Labatt; Mailman Corp.; Maritime Tel. pf.; Renfrew Textiles; Rolland Pap. pf.; St. Law. Corp.; Stedman's; United Corp. A; Wabasso Cot.

MINING

New Highs—1948-49

Aumaque; Bouzan; B. R. X. Con.; Mentor Ex.; N. Bidlamaque; N. Jason; Normetal; Pandora; Pend Oreille; Quatsino; Quemont; Reeves McD.; United Keno; Waite Am.

New Lows—1948-49

Bouscadillac; Boymar; Bulolo; Diversified; Kelore; McGillivray C.; N. Norzone

OILS

New Highs—1948-49

Anglo Can.; Commoil; Commonwealth; Share Roy.; Texas Roy.; Texas Can.

New Lows—1948-49

Gaspe; North Cont.; North Exten.

Supplementary Bond Quotations

Furnished by Investment Dealers' Association

Month-end Closing Prices

Jan. 31, 1949

	Bid	Ask
Acadia Apartments 4%, 1959 .	97½	—
Adelaide Pete 4%, 1967 & com	76½	—
Adelaide Sheppard 5-7%, 1948.	80	—
Alexan. Bldg. 6%, 1962 & com	74	—
Ancroft Place 4%, 1956 & com	83½	—
Balfour Bldg. 3-6%, 1943	86½	—
Bay Adelaide 4½%, '68 & com	76	—
Bay Cumber. 3½%, '58 & com	73	—
Bay St. Albans 4%, 1953	86	—
Bloor St. George 4%, 1967 & com.	92	—
Clarendon Apts. 7%, 1946	67½	—
Clarendon Properties 7%, 1947	67	—
Deer Park Manor 4%, 1959 & com.	88	—
Dominion Square 4%, 1959	102	—
Ellis Park 4½%, 1960 & com. ..	91	—
400 Avenue Rd. 4½%, '57 & pfd	92	—
Gleneagles Inv. 5/59 & com...	111½	—
Lomb'd R'lty 2½%, '51 & com	59	—
Lord Nelson Hotel 4%, 1947 ..	83½	—
Metropolitan Bldg. 4½%, 1952	101½	—
Montreal Apts. 1st 4½%, 1964	98	—
Montreal Apts. 2nd 4½%, 1954	93	—
Municipal Bankers 4-5%, 1948	24	—
Ontario Bldg. 3%, 1943........	72	75
Oshawa Bldg. 4%, 1953 & pfd.	82	—
Ramsden Park Apt. 5%, '61 & com.	67½	—
St. Cath. Stanley 4%, 1957	100½	—
St. Clair 200 W. 4½% 1958 & pfd.	91½	—
Sherbrooke St. Realty 4% 1952	99	—
Stanley Realty 3%, 1962.......	33	—
York Adelaide 7%, 1945	46	—

Municipal Bonds

Feb. 8, 1949

	Coup. %	Matur.	Bid $	Ask. $	Yld. %
Victoria ...	3¾	'55-66	96½	99½	3.79
Vancouver	3	'67	89½	92½	3.58
Calgary ...	3½	'62	98	101	3.44
Edmonton .	3½	'60	98	101	3.39
Regina	3	'64	90	93	3.49
Moose Jaw	3-3½	'60	94	97	3.50
Winnipeg ..	2¾	'66	92	95	3.12
Ottawa	3	'54	101½	103½	2.43
Toronto ...	2¾	'72	90	93	3.11
Hamilton ..	3	'60	98½	100½	2.94
Windsor ..	2½	'75	73	76½	4.01
Quebec ...	2¾	'66	90	93	3.38
Halifax ...	3	'66	92	95	3.31
Saint John.	3½	'65	98	101	3.34
Windsor ...	2¾	'75	77	80½	4.02
Windsor ...	3½	'75	89	92½	4.04
Montreal ..	3	'70	92	95	3.38

Unlisted Mines

Supplied by the Broker-Dealers' Association of Ontario

Approximate quotations, 3 p.m., Jan 31, subject to confirmation and change:

	Bid	Ask.		Bid	Ask.
Abenakis	3	5	Miles RL	4	5
Advance	3½	4½	Mindus	7	10
Alexander	3	5	Mink	3	5
Aljo	1	2	Mistassini	4	6
Ama Kir	6	8	Moffat H	1	2
Anna'que	2½	3	Mohawk P	2	4
Argonaut	2½	3½	Murbell	½	1
Audley	1½	3	Murmac	15	18
Auterra	2	3	McManus	4	6
Aurora Y	..	9	McCuaig	5	6
Baker	2	3	Nat Mal	12	14
Barb L N	1½	3	Nayb '45	3	5
Beauriv	10	12	Newcore	7	10
Bi Oro	37	42	New Aug	12½	14
Blondor	2	3	New Mal	3	4
Bouzan	23	25	Nickel L	10	12
Bour C	1½	3	N Offsets	250	300
Bradnor	1	3	Norbeau	70	80
Braminco	16	..	Norcourt	2½	4
Br Breest	3½	4½	Norford	1½	2
Bravo	2	3	Normar	5	6
Bright R L	2½	3½	Nortyne	1	3
B McDade	9	11	Novele P	2	3
Bulldog	31	33	Obalski	3	5
Burley Po	1	2	do '45	9	11
Camlaren	3	5	Oklend	4	6
Camray	41	43	Obaska	10	12
Captain	5	7	Olivet	1	2
Carricona	1	2	Opemiska	15	18
Cassidy	2½	3½	Ortona	4½	6
Cent M	7	9	Pascalis	10	12
Cock RL	2½	3½	Pelangio	4	5
Columbier	2½	3	Payne	6	8
Con Chib	19	22	Phelps	1	1½
Con Cop	8½	10	Pinnacle	½	1½
Courageo	2	4	Poona Go	½	1½
Craibbe	5	8	Presdor	2½	3½
Croydon	3	4	Privateer	15	20
Cuyuni N	55	59	Quejo	5	6
Delhi	17	20	Quest	2½	4
Derlac	1½	2½	Rajah R L	1	3
De Sant	2	4	Rand Mal	7	9
Dom Mal	1	1½	Raymond	1½	2½
Dona Pat	1	2	Randona	3½	5
Durham	7½	10	Rebair	13	14
Doris	1½	2½	Redruth	1	3
Echo Ind	4	5	Redwood	6½	7½
Elmac	4	5	Richgroup	7	9
Erin Kirk	1½	2½	Russet	4	6
Flicka	1½	2½	Rhyolite	3	4
Gan Cop	10½	12½	Salmita	3	5
Gilbec	½	1½	Santiago	11	13
Goldpac	12	15	Sepha	3	5
Goodrock	1½	2½	Sheldon	12	14
Gord Lebel	2	4	Silv Arro	3	5
Gov Gold	4	6	S Dufault	8	10
Grnd Chib	20	30	Sovereign	13½	14½
Greenlee	7½	8½	Skynner	1	2
Grndhog	5	10	Starlight	2½	4
Gwillam	16	18	Sun Bear	4½	6
Halden	4	6	Thornhill	1	2
Habitant	2	4	Tiffany	2	3
Harp Mal	1½	2½	Tobico	1½	2
Hornfault	7½	8½	Tovarich	1	2
Hayes Cd	1	2	Viking	15	20
Hugh Pam	8½	10½	Val d'Bel	2	3
Independ	4½	5	Vinray	3½	4
Islepines	40	45	Wesley	1	2
Joannes D	1	3	West RL	1½	2½
Kamlac	17	18	Wilwood	1	2
Ken Bay	5	6	Y Davids	19	21
Kenda Pe	5	8	Yelknife	140	165
Kenroy	½	1½	do vt	135	160
L Expense	6	8	Zolota	25	28
L Geneva	10½	12	**OILS**		
Lar-Add	2	4	Franco	48	50
La Salle	4	5	Granleduc	26	35
Lavalie	2½	3½	Home Oil	12½	12¾
Legardo	½	1½	Jupiter	19	21
Lennie	2	4	Lingnora	13½	15
Louvore	1	1½	Major Oil	3½	5
Mallen RL	6	7	Nw Ranch	4½	5
Marbenor	6	8	Pac Oil Ref	6	8
Marquette	1	2	Princess	33	35
Mar Bird	3½	4½	Tower P	27	31
Mary Ann	4½	6	Universal	2½	4
Mat Con	35	40	Vermilion	30	35
Metalore	8	10	Westlock	15	18
Mate Yel	3½	5			

COMPANY REPORTS

CANADA LIFE ASSURANCE CO. in 1948 again established new high records in new insurance, insurance in force, assets and surplus. New insurance issued and paid for was over $122 millions, exclusive of annuities, revivals, increased policies, dividend additions and reinsurance ceded to other companies. In addition, new retirement income bonds, issued and paid for, totaled $15.9 millions, exclusive of increases and revivals. The company also sold new immediate annuities with considerations of over $1.4 millions.

Life insurance in force was over $1.1 billions, exclusive of annuities. Annuity business in force includes retirement income bonds not yet matured amounting to $122.5 millions and annuities being paid, to provide for which the company holds funds amounting to $31 millions.

The company in 1948 for the first time departed from the use of $4.86 2/3 to the pound in obtaining the Canadian dollar equivalent of the items pertaining to its business in pounds sterling. This year it used $4.03 to the pound, E. C. Gill, vice-president and general manager, stated at the annual meeting. Similar changes have been made by other companies to bring figures into line with the current rates of exchange.

At the $4.03 rate of exchange as compared with $4.86 2/3 at the end of 1947 the gain in insurance in force is $55 millions, the actual increase being $92 millions.

Total assets at $369 millions were up about $2 millions, using the lower rate of exchange in 1948. If the same rate were used in both years, the gain would be over $17 millions. Mortgage investments increased during the year. The rate of interest earned on invested assets was 3.82% (3.81% in 1947).

	1948	1947
	$000	
Insurance in force ...	1,151,926	1,096,877
New insurance	122,797	119,322
Total receipts	54,300	53,934
Net premiums	35,520	34,385
Int. divids rents ..	13,165	13,020
Policy payments	27,200	27,081
Expenses	8,157	7,618
Sh'holders' allot.	163	†197
Taxes, premises W.O.	1,313	2,245
Inc. in pol. reserves	‡16,309	15,793
Inc. Cont. reserve.....	......	1,000
Liabs. to Pol'holders		
Incl. policy res.	339,580	340,991
Prov. fut. pol. divds.	6,475	6,650
Liabs to Sh'holders..	1,414	1,450
Conting. res.	6,000	6,000
Other liabs.	3,171	......
Total assets	369,875	367,449
Free Surplus	13,235	12,358
Int. earned	3.82%	3.81%

‡ To provide future policy payments.
† After taxes thereon.

Note:—All 1948 figures of Sterling currency business compiled on the basis of $403=£1. Accordingly accompanying figures are not actually comparable.

PENNY STOCKS

Phone or Write for Information

UNLISTED DEPARTMENT
WA. 4731

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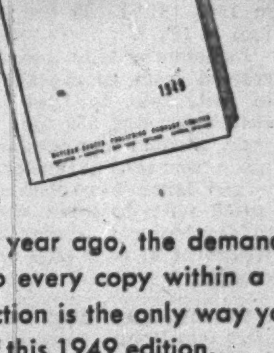
Geo. W. Crothers Ltd. Plans Chatham Branch

At Chatham, Ont., George W. Crothers Ltd., of Leaside, near Toronto, has bought eight acres on No. 2 Highway near the city's new "industrial park"; plans early building of 12,000 sq. ft. construction equipment showroom, office and parts depot. Bulk of the land will be used for open-air display, erection and storage of heavy earthmoving, hoisting, power, bituminous spraying and other road equipment. The purchase and plan represents Chatham's 58th postwar industrial expansion project.



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Foresee Better Earnings From Kirk. Lake Milling

Early attainment of the contemplated step-up in mill treatment to 400 tons daily, and a flow of higher grade ore to the mill are expected to reflect favorably on Kirkland Lake Gold Mining Co. earnings this year. The 400-ton daily capacity plant handled an average of 257 tons daily last year.

Mine rehabilitation, under way since 1947, is now drawing to a close and will speed up transportation facilities in the mine and permit easy access to the high grade structures in the west, below the 5,000-ft. level.

The job of rehabilitation has included partial retimbering of the No. 1 winze from 2,300-ft. to 4,900-ft. levels and installation of a new heavy-duty hoist, with skips of three-ton capacity. A primary crusher, with automatic loading facilities, has been installed on the 2,450-ft. level. The No. 4 winze, in the west section of the mine, has been sunk from 4,700 to 5,450 ft. and is being carried to 5,850-ft. depth.

Development has been proceeding satisfactorily in the new ore structure on the 5,250 and 5,350 levels. These ore bodies were initially found on the 5,450 level. There are six parallel vein systems occurring in fractured lamprophyre over a north-south zone of 220-ft. width for a length of 800 ft. Total ore lengths run in the neighborhood of 1,600 ft. averaging 1.0 to 2.0 oz. across widths of 1.5 to 2.5 ft.

Similar ore structure has been opened by the company on the two new levels. Work on the 5,350 level has opened long ore lengths across widths up to 12 ft. Development work last year is reported to have increased ore lengths to more than 2,000 ft. averaging 2.4 oz. across 1.5 ft., with the major portion established on the 5,250 level. Continuity of ore may carry to the 4,700 level, it is reported.

Drilling from the drift on the 5,850 level has returned satisfactory ore and structural intersections, suggesting continuity to depth on that horizon. Work has been concentrated in the east section with a long section to the west and beyond No. 4 winze yet to be explored. Completion of sinking No. 4 winze is expected to give the company an opportunity to test this locality.

Prospectors and Developers Meet in Toronto Mar. 7 to 9

Radioactive minerals, base metals and gold will comprise the "Big Three" of the speakers' and discussions' program for the coming annual convention of the Prospectors and Developers Association, it was announced by Mrs. V. R. MacMillan, president. The meetings will be held March 7, 8 and 9, at the Royal York Hotel, and will mark the 17th convention.

Uranium occurrences will be featured in both papers and discussions, as will base metals and their steadily increasing demand by industry. "Gold" will be the subject of the main address at the convention banquet. An announcement will be made shortly, Mrs. MacMillan said, regarding the speaker.

Other papers will include "Problems of the Mining Industry in Canada"; a review of mining developments in Western Quebec; staking regulations of the various provinces; prospecting syndicates; new aerial survey aids to exploration; aerial photography; prospecting for cobalt-nickel. Final details are being worked out for the presentation of several additional addresses and panel discussions, including papers from provincial departments of mines and an outstanding paper on "oils," accompanied by informative, colored films.

For the fourth consecutive year, National Mining Day will be observed during the convention. It falls on Wednesday, the closing day. Bookings for reservations are already being received.

Lamaque Profit Rose 8c. a Sh.

Reflecting the substantial gain in bullion production through a marked increase in daily ore treatment, per share earnings of Lamaque Gold Mines jumped over eight cents last year. Final net profit in 1948 was estimated at $757,835, or 25.26 cents per share as against $501,262, or 16.7 cents per share in 1947.

The estimated 1948 profit excluded the 80% of cost assistance due from the Dominion Government for the last three months' production and final adjustment of the 20% balance for the entire year has still to be received.

Gross values of bullion production totaled $2,523,292, excluding cost-aid received of $55,651, from treatment of 351,110 tons of ore in 1948 ($1,785,805 from 209,495 tons in 1947).

Lamaque's daily tonnage increased from an average of 713 in Jan., 1948, to 1,144 in Dec., 1948, averaging 959 tons for the year. Further increases are to be made from time to time as the enlarged labor force becomes adjusted with balanced conditions of development, mining and ore treatment at each step until full cacapity is reached.

YALE LEAD & ZINC MINES advises that Draper Dobie & Co. and J. Bradley Streit & Co. agreed to purchase 750,000 shares for $160,000 and optioned 1,099,995 shares at 35 cents $1. Authorized capital is 3.5 million shares; issued, 1,850,000; escrowed, 1,650,000; filed, Jan. 11.

HARD ROCK GOLD MINES reports bullion production of $60,334 from treatment of 22,834 tons of ore averaging $2.88 per ton in three months ended Dec. 31, 1948 ($66,958 from 16,479 tons of $4.06 grade in previous quarter).

COMPANY REPORTS

MACLEOD-COCKSHUTT GOLD MINES realized a small operating profit in year ended Sept. 30, 1948, when an important improvement was noted in the second half of the year. Since fiscal year end the company has been able to make a substantial operating profit, aided to a considerable extent by Emergency Gold Assistance.

Ore reserves dropped slightly, but company did not take into account a block of ground 200 ft. deep between 11th and 13th levels, where directors anticipate tonnage and grade will be similar to ore mined on the two levels.

Development last year was directed toward preparing the 13th level for production. The 12th level has not yet been developed; a raise has been put through from the 13th to the 10th level and plans are to enlarge the raise to a winze to facilitate development of the 12th level. Company also proposes to deepen the winze below the 13th for purpose of opening two new levels.

Working capital increased slightly to $591,134.

INCOME ACCOUNT

Years Ended Sept. 30:	1948	1947
Bullion recov.	$1,351,699	$1,482,375
Less: Marketing	11,779	12,924
Net production	1,339,920	1,469,451
Less: Oper. exps.	1,431,036	1,453,754
Add: Cost aid	101,800	......
Oper. profit	10,684	15,697
Add: Sundry rev.	3,803	6,548
Less: Deprec.	122,250	121,382
Extra devel.	26,940	26,940
Net loss & deficit	134,703	126,077
Earned per Share	d$0.047	d$0.044
None paid.		

CONDENSED BALANCE SHEET

As at Sept. 30:	1948	1947
Cash & bullion	$271,746	$215,659
Accts. rec.	7,517	7,633
Call loan	100,000	......
Dom. & Prov. bonds	25,000	200,000
Mat. & supplies	229,252	246,344
Total curr. assets	673,323	669,636
Prep. & def. chgs.	16,114	27,347
Def. develop.	17,298	44,238
Investments	12,403	15,403
Claims & props.	1,083,671	1,083,671
Plant & equip.▲	841,976	945,111
Total assets	2,644,785	2,785,406
Total curr. liab.	82,189	97,545
Capital stock	2,663,098	2,663,098
Less: Deficit	100,502	■24,763
▲After depr. of	1,603,021	1,482,527
■Surplus.		
Working capital	591,134	572,091

OPERATING STATISTICS

	1948	1947
Tons milled	181,844	207,297
Average recovery	$7.43	$7.15
Ore reserves, tons	774,606	845,614
Grade ($35 gold)	$7.46	$7.11

GENERAL PETROLEUMS, drilling contractors of Calgary, experienced a substantial increase in business in fiscal year ended Sept. 30, 1948, when 11 drill rigs were utilized and 64 wells drilled (10 and 43 in previous fiscal year). Actual footage drilled, 247,870, was 1,609% greater than in the initial year of 1942.

Early in the last fiscal year the company bought two rigs and paid for them when it could not afford the expenditure. Since then the position has changed and rigs Nos. 18 and 19 have proved to be a profitable purchase.

In the first quarter of current year, the company experienced a much more rapid improvement than during 1947-48. If this continues through the second quarter, the company believes a dividend should be declared.

Contracts handled totaled $2,421,879 in fiscal year ended Sept. 30, 1948, when net profit was $180,228. Current assets were $529,653 and current liabilities $364,914 at Sept. 30. Purchases under conditional sales agreements totaled $169,602, and other deferred liabilities $42,354. Reserve for completion of contracts was $143,428.

ANA URANIUM MINES advises that Tidewater Securities purchased 100,000 shares for $5,000 and optioned 900,000 shares at 5 to 25 cents. Authorized capital is 3.5 million shares; issued, 1,200,0[illegible]; escrowed, 1,080,000; filed, Jan. 19.

Teck 1948 Profit Up 5.5c a Share

Realizing a 100% increase in dividend income from its subsidiary, and including the major portion of Cost-Aid bonus, Teck-Hughes Gold Mines earnings jumped 5.5 cents a share in 1948.

Estimated net profit is $637,673, or 13.27 cents a share compared with $373,009, or 7.8 cents in 1947. The 1948 per share profit did not include the 80% of cost assistance due from the Dominion Government for the last three months' production, and final adjustment of the 20% balance for the entire year still to be received.

Bullion production in 1948 totaled $1,010,976 from treatment of 73,885 tons of ore averaging $13,68 gold a ton ($1,049,024 from 71,360 tons and $14.70 recovery in 1947). Cost-Aid taken in accounts for the year, totaled $39,199.

The big job of mines rehabilitation was drawing to a close at the end of the 1948 fiscal year, and officials were anticipating an increase in ore tonnage this year, under improved labor supply.

Gan Copper Drills Get Some Showings

Diamond drilling is continuing from surface in the west section of the Gan Copper Mines property in exploration of the favorable areas indicated by the electrical resistivity, geomagnetic and geological surveys.

The first hole, No. 21, was drilled north, and core from 240.2 to 249.3 ft. averaged 1.10% copper with section from 271.3 to 282.8 ft. averaging 1.04% copper. Similar values were obtained in other sections.

Drill hole 22, started approximately 180 ft. east and drilled parallel to No. 21, entered the diorite at 752 ft. and was stopped at 820 ft. It showed heavy altered and chloritized rhyolite to 227 ft., followed by silicified rhyolite with sections carrying good mineralization including local showings of copper sulphides. Hole 23, started 165 ft. east of No. 22 and drilled parallel to the latter, was carried to 322 ft. and showed similar mineralization and alteration, with some chalcopyrite.

Exploration of this west section of the property is still in the early stages, with results of work so far proving up heavy alteration in the rhyolite breccias, with the attendant copper sulphide mineralization. A series of holes has now been started from north to south, approximately 200 ft. northwest of No. 21. Work is designed to explore the area in the vicinity of the diorite contact and underlying the surface showings of massive zinc sulphides and associated copper.

Aumaque Plans Test Of Survey Findings

Arrangements are being completed by Aumaque Gold Mines to send a drill back on its Bourlamaque twp. property to probe findings recently made by geophysical investigations.

Several anomalies were located by the numerous types of geophysical surveys conducted on the extensive acreage. One in particular was indicated by all four types of surveys, magnetometer, electrical, conductivity, self-potential and gravity. The centroid of this anomaly lies approximately 1,960 ft. northeast of the East Sullivan Mines shaft and about 250 ft. from the common boundary of the two properties.

Norpick Second Drill Reaches Vein Matter

The second drill hole put down by Norpick Gold Mines has intersected 50 ft. of vein matter at a vertical depth of 50 ft. under surface trench No. 8, Consulting Engineer Colin S. Johnson states. The core is reported well mineralized for the most part, with two 10-ft. sections, about 12 ft. apart, showing copper ore. Other sections are expected to carry gold values.

Latest drill hole is located 100 ft. west of hole N-A which returned 41.6 ft. of copper mineralization below surface trench No. 7. Assays are expected soon.

MINING CONCENTRATES

ALCONA GOLD MINES has received permission to release 128,500 shares from escrow, effective Feb. 11. There are still 1,129,834 shares in pool.

• • •

BULLDOG YELLOWKNIFE GOLD MINES has received permission to release 18,750 shares from escrow, effective Feb. 11, leaving 843,750 shares in pool.

• • •

BIG DAN MINES says that Crawford M. Cook nominee for Eugenio Caballero, Chihuahua, Mexico, purchased two million shares from the company for $65,000 and optioned a further 1,250,000 shares at 15 to 40 cents. Authorized capital is five million shares; issued, 3,666,671; escrowed, 3.5 million; filed, Jan. 19.

• • •

CARDINAL PETROLEUMS has been granted permission to release 200,000 shares from escrow on Feb. 11, leaving 542,500 shares in pool.

• • •

OROFINO MINES advises that an extension has been granted on payment due Oct. 15, 1948, to Mar. 31, 1949, and each subsequent option-payment date has been extended six months.

• • •

DEL RIO PRODUCERS advises that W. C. Pitfield & Co. has agreed to purchase 1,250,000 shares at 28 cents net to the treasury. The underwriter will offer these shares to the public at 35 cents. Authorized capital is four million shares; issued, 1,250,000; escrowed, 1,240,000; filed, Jan. 21.

OIL PRODUCTION

Alberta Oil Production Hits 42,989 Bbls. Daily

From Our Own Correspondent

CALGARY — Alberta oil production inched up to another record the past week, with yield averaging an estimated 42,989 bbls. daily, an increase of over 500 bbls. daily from the previous record set a week earlier. Output is nearly double that a year ago.

Alberta's Conservation Board reports estimated yield for the week ended 8 a.m. Jan. 24, as follows, from 631 wells: Leduc-Woodbend, a record 23,578 bbls. daily actual recovery from 182 wells; Redwater, 2,220 bbls. daily actual yield from six wells; Turner Valley crude oil, 11,834 bbls. daily actual yield from 281 wells; Turner Valley natural gasoline, 1,570 bbls. daily; Lloydminster 1,772 bbls. daily from 68 Alberta-side wells, and other fields 2,015 bbls. daily from 94 wells, these being estimates based on actual November yield, latest data available.

Another 813,050 acres of Crown exploration reservations have been taken out in Alberta with exploration to be carried out on behalf of the holders by major and independent American oil companies.

Four reservations in northern Alberta totaling 392,754 acres, issued in the names of S. H. and E. A. McCuaig, Edmonton, will be explored by the American independent team of Barnsdall Oil Co., Honolulu Oil Corp., and Seaboard Oil Co. Two reserves are between Wabiskaw Lake and the Athabaska River, one is along the north shore of Lesser Slave Lake, and the fourth is about 20 miles southwest of Smith.

Union Oil Co., of California has taken out two reservations totaling 195,984 acres in its own name, along the north shore of Lesser Slave Lake, west of the McCuaig reserve.

Canadian Northern Plains Oil Co., a unit of Gulf Oil Corp., has taken out two reservations totaling 79,360 acres east of Grande Prairie in northwest Alberta.

The California-Standard Natural Gas Co., unit of California-Standard, has taken two reservations totaling 49,280 acres, one centering on Stettler and the other on Daysland on the central Alberta plains.

Alberta Edmorada Petroleum Corp., unit of Amerada Petroleums Corp., of New York, has taken up a 95,672 acre reservation west of Provost on the east central Alberta plains.

• • •

Five Million Barrels

The Leduc-Woodbend oilfields passed the five million barrel production mark in the second last day of 1948, when they produced a record 664,990 bbls., or 21,451 bbls. daily during December. Cumulative production since discovery in February 1947 to December 31, 1948, was 5,031,709 bbls.

The Lloydminster region set a new production record during 1948, when net oil deliveries climbed to 1,487,442 bbls., compared with 848,482 bbls. in 1947 and only 211,852 bbls. in 1946. By the end of 1948, cumulative oil yield had risen to 2,649,626 bbls., less than a tenth of the indicated proven oil reserves and a much smaller fraction of the indicated possible oil reserves.

• • •

Anglo-Home Success

Anglo Canadian Oil Co. and Home Oil Co.'s Redwater No. 3 well was started on steady production Jan. 24, with an initial open flow potential of 1,656 bbls. daily. Anglo-Home No. 2, placed on production January 11th, rated a potential of 1,160 bbls. daily; Anglo-Home No. 1, started on production Jan. 17, rated potential of 1,475 bbls. daily.

The P.S.&P. Redwater No. 1 oilwell, owned 25% each by Pacific Petroleums, Sunray Oil and Calvan Petroleums, 10% by Princess, and 15% by others, was kicked into production this week with an indicated potential of 1,480 bbls. daily.

• • •

Pacific Western Venture

Pacific Western Oil Corp., large American independent, has reached an agreement with Imperial Oil for joint exploration of 105,000 acres of Crown leases in the Evansburg area 55 miles northwest of the Leduc-Woodbend oilfields. Imperial provides the acreage and information gained from its geophysical and geological study of the area, while Pacific-Western provides cost of initial well. Should production be obtained, net proceeds will be shared equally by the two concerns, as will any development costs after the first well. First venture will be drilled immediately in lsd 13 31-54-7w5th.

Four independent oil groups and the Alberta Government have reached a mutually satisfactory agreement for the leasing of two Crown reserve quarter sections at Woodbend. Because four groups offered what was in effect exactly the same competitive bonus—a lifetime extra royalty of 15%—Government and bidder groups got together to figure out a fair division of the lands. The result: two bidders will split cost and interest, and will jointly develop one quarter section; the other two bidders will do the same with the second quarter. Drilling will be started shortly.

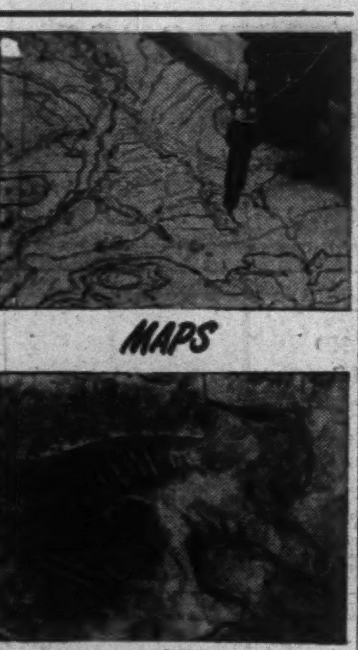
Continental Oil Co. of Canada and Raymond F. Castle, Victoria, will share the northeast ¼ sec. 12 51-26w4th. Husky Oil & Refining and the Vernon Hotel Co., Vancouver, will share the southeast quarter of section 13 51-26w4th.

MacLeod Last Quarter Output Best In Year

Bullion production of MacLeod-Cockshutt Gold Mines in the final 1948 quarter last year exceeded output of any quarter in the fiscal year ended Sept. 30, 1948. Production of $408,936 from treatment of 40,959 tons in December quarter compared with $325,825 in September quarter and $333,897 in three months ended June 30.

Gold output in December was valued at $149,111; $128,435 in November; and $131,390 in October.

NEW TELLURIDE GOLD MINES OF CANADA says that Clarence D. Lugsdin (assigned to T. L. Savage & Co.) optioned 500,000 shares at 15 to 27½ cents. To date the optionee has paid for 224,700 shares. Authorized capital is three million shares; issued, 1,735,655; escrowed, 600,000; filed, Jan. 19.



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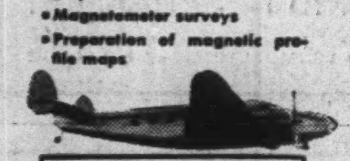

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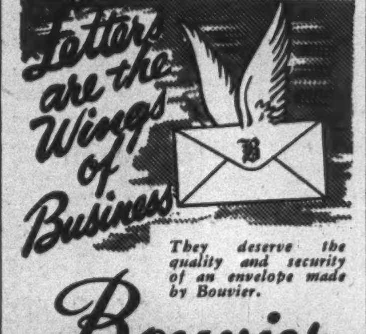

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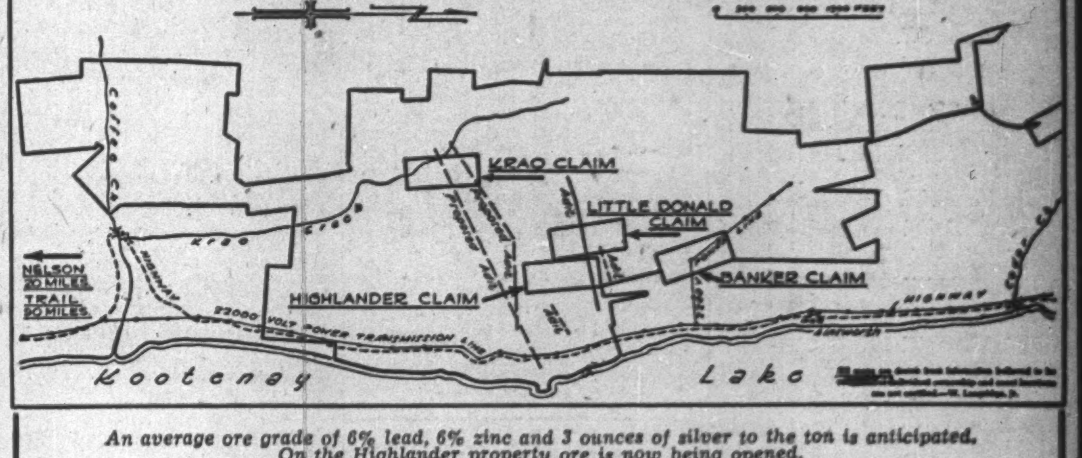

An average ore grade of 6% lead, 6% zinc and 3 ounces of silver to the ton is anticipated. On the Highlander property there is an ore showing ...

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LEGAL COUNSEL
Hughes, Agar, Thompson and Amys, Toronto, Ont.

TRANSFER AGENTS
The Royal Trust Company, Toronto, Ont.

CAPITALIZATION:
3,500,000 Shares, $1.00 Par Value
Issued and to be issued: 2,400,005 Shares, $1.00 Par Value

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EXECUTIVE OFFICE — Room 1008 — 330 Bay St., Toronto, Ont.

Upper Canada Earning Picture Brighter On Improved Labor and Higher Milling

By CLAUDE TAYLOR

With adequate labor now available and milling rate running close to 350 tons per day capacity, Upper Canada Mines has entered 1949 on a more optimistic note, President Robert R. Brown told The Financial Post on his return from the property.

A marked improvement in bullion production was realized from mill step up last year when output hit $1,289,905 from treatment of 119,279 tons of ore, an average daily treatment of 326 tons.

Last year's 12 months represented the best period since fiscal year ended Apr, 30, 1943, when production reached a record $1.4 millions and shares earned 17.5 cents. While final figures on 1948 operations will not be available until the annual report is released, it would appear that Upper Canada realized a more profitable year than for some time. Earnings, however, are not expected to be anywhere near share earnings of 1943, when operating costs were considerably lower.

Bullion production totaled $829,800 in the eight months ended Dec. 31, 1947, when earnings were equal to 4.3 cents per share. Previously company's fiscal year ended Apr. 30.

Elimination of power cuts late in 1948 and the adequate supply of workers, including use of 10 displaced persons, have enabled the company to make rapid progress in opening up the four new levels off the No. 2 shaft. Long stoping areas have already been established on the new 1,375-, 1,500- and 1,625-ft. levels where approximately 50% of ore lengths have already been opened. Widths of the ore and grade are reported by Mr. Brown to be above average grade of the mine.

Development, so far, on the bottom or 1,750-ft. level has been a trifle disappointing due to a porphyritic intrusion and strike fault coming in to the north of the shaft at this lowest horizon. President Brown is hopeful that the intrusion is local in nature only and that the highly fractured vein material will be encountered farther along the level.

The company's engineers propose carrying out extensive flat drilling for purpose of intersecting the other three parallel ore structures and also to probe to greater depth to test ore continuity below the 1,750-ft. level.

An accurate estimate of 1948 ore reserve position has not been submitted by General Manager Roy J. Henry to date, although President Brown estimates that reserves were considerably improved during the year. Working capital finished the year at around the $606,000 figure of Dec. 31, 1947.

An announcement relating to plans of Queenston Gold Mines, an associated concern of Upper Canada, is not expected to be made until the spring. It is the understanding that any plans regarding construction of the proposed 500-ton daily capacity mill will depend entirely on general conditions at that time.

Present cost of bringing the Queenston mine into production has been estimated at around $1,250,000, but to provide working capital of that amount some special consideration would have to be given to new financing. There are approximately 723,000 shares remaining in the Queenston treasury.

Dome Profit Down To 84c. in 1948

Preliminary figures of Dome Mines disclose a falling off in earnings to early depression years in 1948, when estimated net profit of $1,625,814, was equal to 84 cents a share. Earnings in 1947 totaled $2,113,509, or $1.09 a share.

Bullion production in 1948 was $5,463,596 from 620,800 tons of ore milled ($5,601,804 from 595,200 tons in 1947). Inclusion of Emergency Gold Mining Assistance of $155,212 in 1948 brought income from bullion output to $5,618,808.

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MINING INVESTMENTS

Gold Outlook Brightens As Factors Aid Mining

The proposed amendment to the Emergency Gold Mining Assistance Act to compensate marginal mines and some of the older operators came as a spot of "good news" to the gold industry. Extent of the further assistance, however, will not be known until the next Dominion budget is brought down.

The operating picture appears to be gradually clearing for Canada's gold camps as a whole. Emergency Gold Assistance last year proved of important help to numerous producers. Improved labor supply has speeded up both underground development and milling operations.

The drop in wholesale commodity prices, starting slowly in the United States last August, came into Canada in December. Future effect of price reductions on over-all mining operations at this time is purely conjectural, but some operators in the field are confident that inflated operating costs in mining will begin to break.

On the other side of the Canadian mining picture, however, there appears to be little likelihood of any immediate outside influences that might weaken the price structure of base metals. ECA requirements, stockpiling needs of the U. S. Government and higher demand of industry continue to gobble up available output of copper, lead, zinc and nickel.

* * *

ECA Hits Snag

Latest development on stockpiling plans is that ECA would like to reorganize the entire program for obtaining strategic metals. The joint committee, set up by 80th Congress to review progress of the economic assistance program, says that a new agency should be created with authority to take the initiative in stockpiling. ECA would apparently like to be relieved of responsibilities in this field.

Little is being accomplished to expand future production of strategic metals, although some progress has been made in spot purchasing. The committee said that it appears the full bargaining power available to the U. S. under the foreign assistance program is necessary if the materials are to be secured.

* * *

Lead Output Up-Down

Total U. S. production of refined lead during December amounted to 52,315 tons, an increase of 5,286 tons over November output, largest since May, 1947. The marked increase was due chiefly to a rise in primary output and the end of the Pacific coast shipping strike which had tied up foreign ores for the Selby smelter of American Smelting & Refining.

Total production of refined lead in 1948 amounted to 545,269 tons, or 38,550 tons below 1947 output. Industry and shipping strikes occasioned the drop in production.

* * *

Copper Use Up in '48

Although copper consumption by fabricators in the United States dropped 6,500 tons in December, total consumption in 1948 amounted to 1,394,307 tons, or about 56,000 tons above the previous year. In 1948, consumption exceeded producer-to-fabricator deliveries by 49,862 tons, exactly opposite to 1947 when fabricators received 45,283 tons more copper than they consumed in that year,

Unfilled orders on Dec. 31 totaled 316,169 tons, an increase of about 17,300 tons over the previous month and compared with unfilled orders of 338,260 tons at the end of 1947.

* * *

Steel Demand Softens

Bethlehem Steel Corp. Chairman Eugene G. Grace has no doubt that there had recently been a softening in demand for many lines of steel with delivery pressure nothing like it has been in the past few years.

Mr. Grace fully expects capacity operations for the first six months, but declined to forecast conditions the industry might face in the second half of 1949.

Smelters Mechanize With GE Locomotives

Two of the largest mine locomotives ever built by General Electric have been delivered to Consolidated Mining & Smelting Co. of Canada, at Kimberley, B.C. These locomotives will be used in conjunction with new low-level haulageway, a new development which will, with certain other complementary developments, cost more than $3 millions and which is expected to be completed and in operation soon.

Introduction of this new program will see the coarse crushing plant moved underground, construction of a four-mile haulageway (two miles of which are underground) and installation of new equipment and machinery in the concentrator. The haulageway will connect the crushing plant at the mine with the concentrating equipment at the concentrator.

The locomotives will be used to haul the crushed ore to the concentrator and to haul the waste rock (discarded in a preliminary concentration step) back to the mine for use in backfill operations. They weigh 40 tons each.

ELDONA GOLD MINES reports that crosscut south from the shaft station on 1,000-ft. level has encountered what may prove to be an important new ore zone. The crosscut entered volcanic tuffs immediately south of the shaft, followed by well-mineralized altered agglomerate similar to that of the ore zone developed on the level some 300 ft. to the east. Sampling of the new disclosures returned values from $2.80 to $4.20 gold; 2.90 to 4.39 oz. silver; 2.05 to 2.95% zinc and 0.40 to 0.98% copper for combined values of $16.69 to $19.73 per ton.

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MINING CONCENTRATES

BOYCON PERSHING GOLD MINES says that 43,000 shares were sold on the open market for $1,812. Issued capital is 2,718,006 shares.

* * *

BAR-LAN GOLD MINES has acquired an asbestos property adjoining holdings of Bell Asbestos and Asbestos Corp. in the eastern townships of Quebec. Diamond drilling is planned to outline ore-bearing structure and to obtain direct evidence of values and dimensions. The company still retains its gold property in Barraute twp., Que. Development funds to cover expenses of the new asbestos operation are being supplied by Montreal and Toronto financing groups.

* * *

CAMRAY MINES is expecting to start development at once on its uranium property in the Alona Bay district, north of Sault Ste. Marie, Ont. Plans call for surface mapping of the main zone area, a geological survey of the entire property, a systematic surface prospecting program for the whole area. Preliminary work is to be followed by a series of closely-spaced diamond drill holes to cover the main zone. Company is capitalized at $3.5 millions in $1 par and one million shares were issued for the property. The treasury received $100,000 cash for 500,000 shares and there is a firm commitment on 200,000 shares for $50,000 and options outstanding on 1.3 million shares to yield $775,000, if exercised. Officers and directors are: C. H. E. Stewart, president; A. W. Burt, secretary-treasurer; Robert Campbell, Watkin Samuel and John MacFarlane.

* * *

CARDINAL PETROLEUMS has been granted permission to release 22,500 shares from escrow, the proceeds from shares to be used for the benefit of the company. There are 742,500 shares remaining in escrow.

* * *

INTERNATIONAL ASBESTOS Co. has speeded up drilling of its property in Wolfe county, Quebec, for purpose of extending known ore body. The company has been granted privilege by the research centre of the Polytechnique School, Montreal, to test asbestos ore in its pilot plant.

* * *

LOUVICOURT GOLDFIELD CORP. advises that option agreement with Federal Trading Agency Co. has been terminated by mutual consent. The company has now entered an agreement with Elaine Agency whereby the optionee agrees to purchase 100,000 shares at 35 cents per share, payable immediately, and has optioned 150,000 shares at 40 to 50 cents. There are four million shares issued.

* * *

SHARE OILS LTD. realized net revenue of $9,695 in year ended Sept. 30, 1948, when net sales from crude oil and gas totaled $19,099.

Recently the company acquired 800 acres of leases in the Hanna-Craigmile area where active tests have been conducted by Hanna Petroleums and Socony-Vacuum Craigmile No. 1.

Production from the company's No. 1 well shows an increase of 287 bbls. over last year which is regarded as unique as production in Turner Valley shows a natural decline of around 10%.

Through the offer made to royalty holders to exchange their certificates for shares the company now owns an additional 48% interest in the well acquired by the issue of 230,284 treasury shares. The company now owns 76% of the net royalties. This acquisition increased the company's net income by $7,171 over the previous year.

Current assets were $17,001 and liabilities $2,834 at Sept. 30.

* * *

STADACONA MINES (1944) bullion production totaled $73,644 from treatment of 11,347 tons of ore averaging $6.49 gold per ton in December. Operating profit was estimated at $13,912 for the month when Cost-aid was approximately $5,500.

* * *

WINGAIT GOLD MINES has received payment for Jan. 15 underwriting of 100,000 shares at five cents, bringing issued capital to 3,410,000 shares.

General-Superior Assessed $54,550

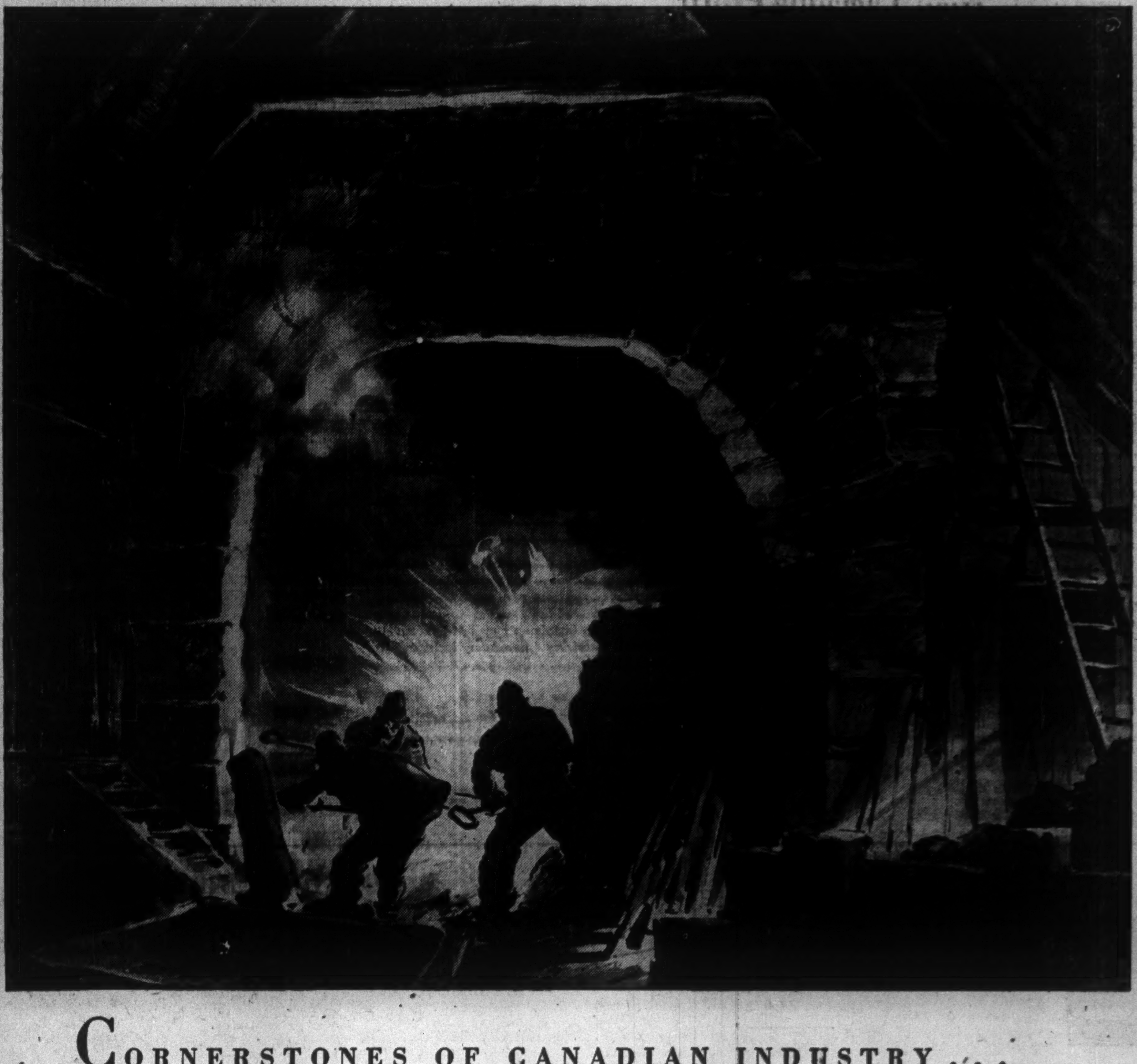
From Our Own Correspondent

CALGARY — An award of $54,550 plus costs against General Petroleums Ltd., and Superior Oils Ltd. of Calgary has been made to William H. Cotter, Vancouver, in a written judgment issued by Mr. Justice C. C. McLaurin of the Supreme Court.

Cotter originally claimed $100,000 from the two oil companies for their failure to drill a well on his oil lease in the Leduc Alberta area and trial was held last December with judgment reserved.

In awarding judgment, Mr. Justice McLaurin said "It appears that the logical approach is to give the plaintiff what the defendant covenanted to give him, a drill well, and as that cost is ascertained, I fix damages at $54,550."

NORPICK GOLD MINES has received payment for 33,000 shares at 10 cents, bringing issued capital to 2,233,006 shares.



CORNERSTONES OF CANADIAN INDUSTRY . . .

THE SAINT MAURICE FORGES. *One of the earliest Canadian industries was founded in 1738 near Three Rivers, Quebec. Fed by abundant local raw materials — wood from the surrounding forests for charcoal and iron from nearby bogs — the forges produced the basic sinews of growing Canadian industrial production for 150 years.*

Today Canadian industry is fed by an ever-growing abundance of developed raw material sources, such as the iron deposits at Steep Rock and in Labrador. Dow, too, is a leading supplier of raw materials and finished products essential to the processes of many Canadian industries. To meet the ever-increasing demands for industrial chemicals and plastics, the Dow plants in Sarnia are being continually expanded. Such expansion will provide additional Canadian materials for industry, and greater employment for the Dominion. Thus Dow is helping to provide the sound basis on which rests the continued development and prosperity of the Canadian economy.

DOW CHEMICAL OF CANADA, LIMITED
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New Highs in New Business; Business in Force, Assets & Surplus Reported by Canada Life

New Life Insurance Shows Increase For 8th Consecutive Year

Detailed Record of Year's Operations Reported to 102nd Annual Meeting

The 102nd Annual Meeting of The Canada Life Assurance Company was held in Toronto on January 27th. Reports covering every phase of Company operation were characterized as "most gratifying to all of us." They marked the achievement of four new records. New Business written by the Company's own field force reached an all-time high and new records were set in Business in Force, in Assets, and in Surplus.

Valuation of Sterling Currency

Before proceeding with the discussion of the year's operations, attention was called to one special feature of the report.

The Company has for the first time departed from the use of $4.86 2/3 to the pound in obtaining the Canadian dollar equivalent of the items pertaining to its business in pounds sterling. This year it has used $4.03 to the pound.

The Company made this change in order to bring its figures into line with the current rates of exchange. In the past there have been fluctuations in both sterling currency and U. S. dollars. Canada Life has refrained from continually adjusting its figures upwards and downwards. Now, however, the rate of $4.03 Canadian for the pound sterling has continued for over two years, and accordingly it was decided to adopt it. The Company is prepared, of course, to make further changes from year to year as the need may arise in the Canadian dollar equivalent of either the pound sterling or the U. S. dollar.

New Business

For the eighth consecutive year the paid for new life insurance produced by Canada Life's own field force shows an increase over the preceding year, establishing a new high mark in the Company's history.

New assurances total $122,797,159. This amount does not include any part of the annuity business, nor does it include revivals, increased policies, dividend additions or reassurances ceded to other companies. It exceeds the comparable figure for 1947 by over $4 million.

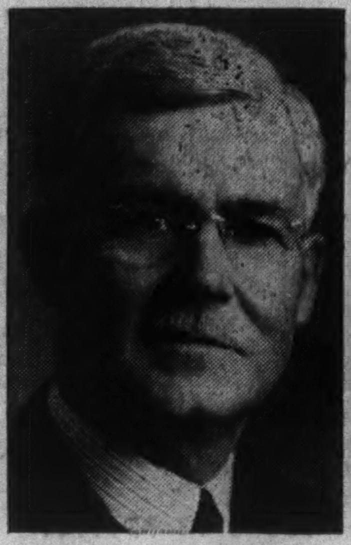
New Retirement Income Bonds total $15,957,561. This figure excludes revivals and increased policies. In addition, new immediate annuities were issued for a total consideration of $1,476,945.

New premium income for assurances and annuities, excluding single premiums, amounted to over $3,811,000. If the rate for calculating the Canadian equivalent of the pound had not been changed the 1948 figure would have been $3,956,000.

This large volume of protection was provided under 24,534 new life insurance policies; 2,859 new annuity contracts, and group contracts covering 12,069 individuals, or a total of 39,462.

Business in Force

(1)	Assurances	$1,151,926,450
(2)	Maturity Benefits under Retirement Income Bonds not yet matured	$ 122,509,905
(3)	Reserve value of Immediate and Vested Annuity Contracts (providing for payments to Annuitants of $3,481,045 annually)	$ 31,129,586



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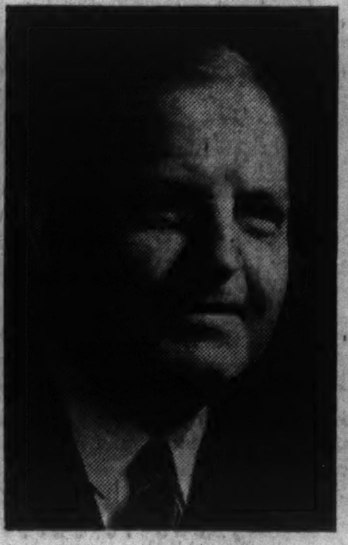
Chairman of the Board



E. G. BAKER
President

E. C. GILL
Vice-President and General Manager

The total business in force comprises 490,370 contracts made up of 283,392 life insurance policies; 25,713 annuity contracts, and group contracts covering 181,265 cases.

The actual gain for the year in life insurance in force was over $92 million. This does not take any account of the gain in annuity business, which in many companies is included with life assurance figures in order to show in a combined total the aggregate of their results for the year. Since Canada Life's annuity business in force gained over $17 million on the year, the gain in assurances and annuities combined was over $109 million.

Income and Payments

Premium Income amounted to $35,520,000 based on the new rate of exchange of $4.03 to the pound. This is over One Million dollars more than the 1947 figure based on $4.86 2/3 to the pound. The increase would have been approximately twice as great if there had been no change in the rate of exchange.

Payments to policyholders and beneficiaries amounted to $24,282,552 and of this, $14,739,290 or 60.7% was paid to living policyholders.

It will be noted that 77 1/5c of each dollar of income came from policyholders in the form of premiums, whereas on the disbursement side 84 2/5c out of every income dollar was either paid to policyholders or their beneficiaries or invested for them to provide for contractual payments to which they will become entitled in the future.

HIGHLIGHTS OF THE YEAR

Paid to Policyholders and Beneficiaries ....$	24,282,552
New Insurance (excluding annuities)	122,797,159
New Annuity Business	17,434,506
Insurance in Force (excluding annuities)	1,151,926,450
Annuity Business in Force	153,639,491
Total Assets	369,875,349
Surplus and Contingency Reserve	19,234,976
Interest Earned	3.82%

Continued Improvement in Mortality Experience

More Assets Now in Corporation Bonds and Urban Mortgages—Mortgage Investments Help Build New Houses

During the year operating expenses amounted to 13 4/5c of each dollar of the Company's income, an 8% increase over the preceding year.

Sound Underwriting Policy

The continued improvement in Canada Life's mortality experience reflects sound underwriting consistent with its general policy of furnishing life insurance coverage to as large a percentage as possible of those who apply to the Company. The analysis of the death claims during the year calls attention to the high proportion of deaths from coronary and other diseases of the heart and circulatory system.

Assets at New High

The Assets are shown on the balance sheet at $369 million. Last year's figure was $367 million. However, if there had been no change in the rate at which sterling assets were converted into Canadian dollars the gain for the year would have been over $17 million, an amount which corresponds very closely to the annual rate of gain in recent years. The Company is continuing its efforts towards the diversification of assets consistent with changing conditions since the end of the second world war. The percentage of assets in Federal Government bonds, which has decreased from 51% to 45%, is still at a much higher figure than it was in the years preceding the war. A larger proportion of assets is now invested in corporation bonds and urban mortgages.

Assistance in Housing

Canada Life's Mortgage Department again enjoyed a very active year and disbursed over $23 million in new mortgage loans while collecting approximately $8 million of principal on existing accounts. These new loans assisted in the construction of approximately 3,300 new homes and helped some 1,600 other families in the purchase of existing homes.

While there is still a definite shortage of adequate housing accommodation in many areas, buyer resistance to paying current prices has appeared in certain municipalities. As a result there is some indication of a levelling off in the price of homes in contrast to the steady rise of the last five years. While Canada Life is still anxious to assist any person in financing his housing requirements, nevertheless, the Company feels that it is in the best interests of all concerned that it continue to follow a conservative policy in mortgage lending. It was pointed out to the meeting that the Company would not be giving any real help to a prospective borrower if it encouraged him by granting a loan on his home which may place him in difficulty under changing conditions.

Growth of Assets

Sometimes the question is asked—Why do the assets of life insurance companies continue to increase from year to year? Those who raise this question point out that the ncome of the companies from premiums and interest exceeds the death claims and other payments to policyholders by a wide margin and suggest that the excess of income over payments represents something in the nature of a growing unneeded surplus.

The simple point overlooked is that the liabilities for future contractual payments to policyholders or their beneficiaries are increasing at approximately the same rate as the assets of the companies. This is particularly evident if one considers the millions of dollars entrusted to life insurance companies in recent years in exchange for the promise of payment of endowments or annuities at some future date. Necessarily, as these promises of future security accumulate there must be a parallel growth in assets. This growth in assets, with the corresponding growth in contractual liabilities, is taking place because the public is exhibiting an increasing confidence in life insurance.

Contingency Reserve & Surplus

Canada Life's unassigned surplus has increased during the year by $877,144, a rate of growth proportionate to the growth of the Company during the year.

The total of the reserve for contingencies and the unassigned surplus now amounts to $19,234,976. In view of the Company's practice of valuing assets and liabilities on a conservative basis, this provides in its opinion a reasonable and adequate margin of safety for meeting contractual liabilities.

Interest Earnings

The interest rate earned in 1948 was 3.82% which compares with 3.81% in 1947.

The average rate of interest realized on new investments during 1948 was higher than the very low rates of 1946 and 1947. It was this factor that enabled the Company to maintain, and very slightly improve, the rate of 1947.

For a period of about 15 years prior to 1948 the rate of interest obtainable on new investments was declining. It reached the low point in 1946 and 1947. Fortunately, as already mentioned, some improvement has taken place in 1948, and this is a matter of the utmost importance to the owners of life insurance policies by reason of its important effect on the net cost of their insurance in the future. In respect of the new investments of Canada Life alone for the year 1948, the improvement will result in additional interest earnings over the next 20 years of probably more than $2 million. This is the long term result of a comparatively small increase in rates of interest in relation to one year's investments of the Company.

The cost of insurance to policyholders in the future will be approximately that much lower than if the improvement in interest rates had not taken place. An unduly low level of interest rates such as prevailed in 1946 and 1947 penalizes heavily the thrifty elements in the country, which include the 4½ million owners of life insurance policies in Canada, and the 75 million policy owners in North America.

The Company paid a tribute to every member of its staff in the Home Office, the Branches and the field, who have once more demonstrated the ability to perform their duties in a highly successful manner.

AUDITORS' REPORT to the POLICYHOLDERS AND SHAREHOLDERS

We have made an examination of the statement of assets and liabilities of The Canada Life Assurance Company at December 31, 1948 and in addition have made test audits of the transactions throughout the year. We verified the cash and the investments in bonds and stocks by certificates from the depositories or by inspection.

The values at which the bonds and stocks are shown are not in excess of amortized cost and are less than market values. The liabilities arising from policy contracts are stated at the amounts certified by the Company's Chief Actuary.

We have received all the information and explanations we have required and subject to the foregoing we report that in our opinion the accompanying statement of assets and liabilities and the related revenue statement have been drawn up so as to exhibit a true and correct view of the state of the Company's affairs at December 31, 1948 and of the results of its operations for the year ended on that date according to the best of our information, the explanations given to us and as shown by the books.

CLARKSON, GORDON & CO.,
Chartered Accountants
Toronto, Canada Jan. 20, 1949

STATEMENT OF ASSETS AND LIABILITIES AT DEC. 31, 1948

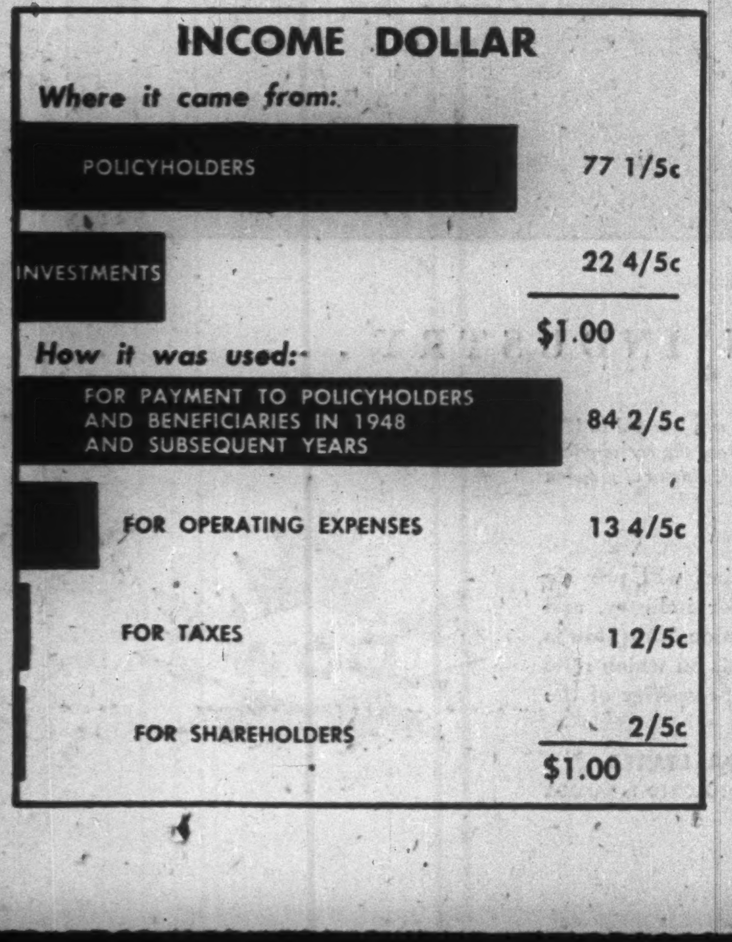
ASSETS

Bonds:		
*Federal government	$163,808,295	
Provincial and municipal	31,173,336	
Public utility	51,657,235	
Other corporation	19,248,986	$265,887,852
*Canada, U.S.A., U.K., and Eire.		
Mortgage Loans and Agreements of Sale		61,041,648
Stocks:		
Preferred	$ 8,301,753	
Banks and Trust co's.	3,277,671	
Other common	927,107	12,506,531
Properties Held for Investment		834,199
Loans on Policies		13,144,230
Office Premises		5,632,550
Cash		1,224,062
Premiums in Course of Collection and Instalments of 1948 Premiums not yet due. (Full liability arising therefrom included in Liabilities)		5,490,132
Interest and Rents:		
Due	$ 45,839	
Earned but not yet due	3,432,846	3,478,685
Other Assets		635,460
		$369,875,349

LIABILITIES AND SURPLUS

Amount required, in addition to Future Premiums and Interest, to provide for payments guaranteed under Assurance, Annuity and Staff Pension Contracts		$310,746,615
Benefits in Course of Payment and Provision for Unreported Claims		4,043,869
Policy Proceeds and Other Amounts Left with the Company		24,789,420
Miscellaneous Liabilities. (Including amounts in suspense and provision for accrued taxes and outstanding expenses)		3,171,440
Provision for Future Policy Dividends		6,475,337
Available for the Further Protection of Policyholders:		
Capital stock ($1,000,000) and Shareholders' Fund, after payment of 1948 dividends of $200,000	$ 1,413,692	
Reserve for contingencies	6,000,000	
Unassigned surplus	13,234,976	20,648,668
		$369,875,349

Sterling currency has been valued at $4.03 to the pound instead of $4.86 2/3 as in previous statements. As a result of this revaluation, the total liabilities were reduced by $15,294,369 and the total assets by $15,098,418. The difference of $195,951 is being held as a reserve for exchange in the Miscellaneous Liabilities account.



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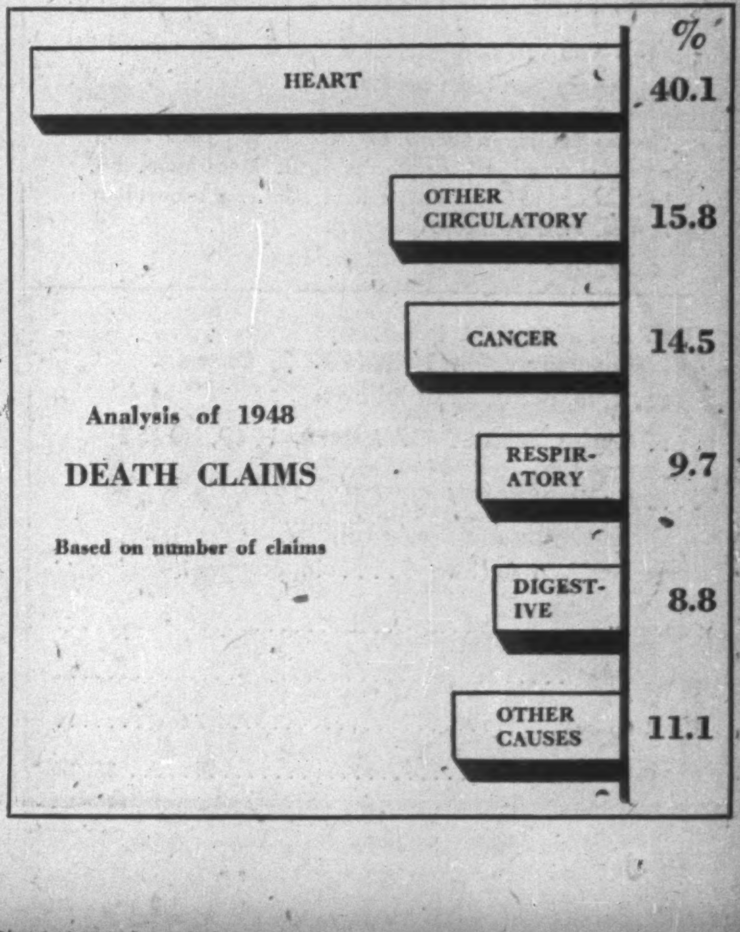
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